



Daily Report

East Asia

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CONTENTS

26 December 1995

NOTICE: An * indicates material not disseminated in electronic form.

NORTHEAST ASIA

Japan

Government Responds to DPRK Military Movements	1
SDF To Watch 'Carefully' [YOMIURI SHIMBUN 22 Dec]	1
DA Cites 'Unusual Increase' [KYODO]	1
Nosaka: Clinton To Visit 16-18 Apr [KYODO]	1
Kono To Attend Meeting on Palestinian Self-Rule [ASAHI SHIMBUN 19 Dec]	1
Meeting With Christopher Confirmed [KYODO]	2
Murayama To Meet With Yeltsin 19-20 Apr [KYODO]	2
Kono Notes Tokyo's UN Diplomacy 'Achievements' [KYODO]	2
Hashimoto: Kobe To Host Quadrilateral Talks [KYODO]	2
MOFA Sources: Kono To Visit India, Pakistan [SANKEI SHIMBUN 18 Dec]	3
Official Rules Out Iran Loans Before Nov '96 [KYODO]	3
Agency Warns of Anti-U.S. Military Movement [KYODO]	4
High Court Awards Damages for Base Noise [KYODO]	4
Nago Officials Seek Delayed Return of Land [RYUKYU SHIMPO 20 Dec]	4
Polls on Security Pact With U.S., Base Cuts	5
Disapproval of Pact Rises [MAINICHI SHIMBUN 24 Dec]	5
National Demand for Base Cuts [Tokyo TV]	5
Former Worker Claims DDT Dumped at Camp Zama [TOKYO SHIMBUN 19 Dec]	6
Shoichiro Toyoda on U.S.-Japan Relations [GEKKAN KEIDANREN Oct]	6
Article Views U.S. Policy After Auto Talks [TOKYO SENTAKU Aug]	7
Problems in Prime Minister's Office Noted [BUNGEI SHUNJU Dec]	10
Shinshinto To Demand Diet Dissolution [KYODO]	17
SDPJ May Oust Kubo on New Party Issue [EKONOMISUTO 26 Dec]	18
LDP Seeks Sakigake's Help in 'Power Shift' [NIHON KEIZAI SHIMBUN 17 Dec]	18
Poll: Hashimoto Most 'Likely' Prime Minister [TOKYO SHIMBUN 24 Dec]	19
Takemura Announces Stricter Auditing Measures [KYODO]	19
Panel To Urge End to Ban on Holding Firms [KYODO]	21
Hashimoto Terms MITI Budget 'Satisfactory' [KYODO]	22
Newspaper Poses Jusen Questions to Takemura [NIHON KEIZAI SHIMBUN 21 Dec]	22
BOJ To Inspect Bank Branches in New York [KYODO]	24
MITI To Support Private Software Development [NIHON KEIZAI SHIMBUN 14 Dec]	24

North Korea

U.S. Urged To Ease Tension in Korea [Pyongyang Radio]	25
U.S., Japan 'Scheming' on Military Exercise [Pyongyang Radio]	26
Pomchonghangnyon Decries Treatment of Dissidents [KCNA]	26
Buddhists Note Roadblocks to Reunification [KCNA]	27
'86 Usong' Crewmen's Return Reported [KCNA]	27
Crew of '86 Usong' Interviewed [KCNA]	28
Japan Joins U.S. Regarding 'Threat' 'Rumor' [KCNA]	28
Seminar on Discrimination Treaty Held in Japan [KCNA]	28
ROK Minister's Inaugural Speech Criticized [Pyongyang Radio]	29

Kim Chong-il Discourse on Revolutionary Elders [Pyongyang Radio]	29
Youth, Students Meet on Kim Chong-il Anniversary [KCNA]	39
Security Officers Pledge Loyalty to Kim Chong-il [KCNA]	39
Cho Myong-nok Speaks at Anniversary Meeting [Pyongyang Radio]	40
Houses Built for Workers in Pyongan Province [Pyongyang Radio]	44
'Doctors Without Borders' Delegation Departs [KCNA]	45

South Korea

U.S. Official Cited on DPRK Army's Moves [Seoul Radio]	45
Ministry Spokesman on Report on Crew Release [THE KOREA TIMES 23 Dec]	45
DPRK Sends Prior Notice on Crewmen's Release [HANGUK ILBO 24 Dec]	46
Crew of Trawler Usong Returns Home From DPRK [YONHAP]	46
Return of Fishermen Detailed [YONHAP]	46
Crew Expresses Gratitude to North [YONHAP]	47
Effect of Usong Case Analyzed [THE KOREA TIMES 26 Dec]	48
Papers React to Return of Crew [CHOSON ILBO 23 Dec, etc.]	49
DPRK Announcement Analyzed [THE KOREA HERALD 24 Dec]	51
Daily on Decision To Return Crew [TONG-A ILBO 23 Dec]	52
Evidence of Economic Crisis in North Reported [Seoul TV]	53
Religious Groups Launch Drive To Aid North [YONHAP]	53
Government 'Not Considering' Additional Rice Aid [CHOSON ILBO 24 Dec]	53
IFANS on DPRK Food Shortage in 1996 [YONHAP]	54
'Help' for North Korean Flood Victims Urged [HANGYORE SINMUN 26 Dec]	54
Daily on Offering Farming Technology to DPRK [CHOSON ILBO 26 Dec]	55
Japan: No Immediate Plan for More Aid to North [YONHAP]	55
Ministry: North Soldier Defects Across DMZ [YONHAP]	56
South-Made Autos To Enter North for First Time [YONHAP]	56
Ministry Plans To Import Beef, Pork Products [THE KOREA TIMES 21 Dec]	56
Procurement Market Agreement Sent to WTO [YONHAP]	57
Canada Decides To Rescind GPT on Korean Cars [YONHAP]	57
Dailies Comment on Formation of New Cabinet [MUNHWA ILBO, etc.]	57
Yi Hwan-kyon New Finance-Economy Vice Minister [YONHAP]	59
Retired Generals Demand Punishment for Chon, No [THE KOREA HERALD 21 Dec]	60
'YWCA Disguised Wedding Case' Victims Sue [YONHAP]	60
Chon's Brother-in-Law Questioned on Slush Fund [YONHAP]	60
Kim Orders Annual New Year Reports Suspension [YONHAP]	60
Cardinal Urges Choe Kyu-ha To Disclose Truth [YONHAP]	60
Prosecution Questions Former Ministers on Kwangju [YONHAP]	61
'Yulgok' Program Renamed 'Force Improvement' [THE KOREA TIMES 22 Dec]	61
Investigation of Opposition Lawmakers Opposed [YONHAP]	61
Opposition Camp Asked To Join Reform Program [YONHAP]	62
Chong Ho-yong Leaves Ruling Party [YONHAP]	62

SOUTHEAST ASIA

Burma

Bilateral Agreement Signed With India [Rangoon Radio]	63
SNLD Report at National Convention Noted [THE NEW LIGHT OF MYANMAR 2 Dec]	63
Rallies Supporting National Convention Reported [Rangoon TV]	65
Man Arrested for Distributing Suu Kyi's Speech [BurmaNet News]	65
KNPP: Cease-Fire Accord With SLORC 'Void' [BurmaNet News]	65
Article Views Forced Labor Under SLORC Rule [THE SUNDAY POST 24 Dec]	66

Press Release Alleges Mistreatment of Prisoners [<i>BurmaNet News</i>]	68
Brunei, Malaysia & Singapore	
Malaysia	
Navy Detains SRV Trawlers for Illegal Fishing [<i>Kuala Lumpur TV</i>]	69
King Returns From Five-Day SRV State Visit [<i>Kuala Lumpur TV</i>]	69
Government To Release Thai Fishermen on Payment [<i>BERITA HARIAN 23 Dec</i>]	70
Government Agrees to NATO Request for Soldiers [<i>SUNDAY STAR 24 Dec</i>]	70
Assault Rifle Sales to Foreigners Allowed [<i>THE STAR 23 Dec</i>]	71
Trade Deficit Widens to 8 Billion Ringgit [<i>THE STAR 23 Dec</i>]	71
Steps Taken To Reduce Current Account Deficit [<i>THE STAR 22 Dec</i>]	71
Men Involved in 'Deviationist Teaching' Arrested [<i>NEW STRAITS TIMES 22 Dec</i>]	72
Singapore	
President Ong 'Does Not Require' More Treatment [<i>THE STRAITS TIMES 22 Dec</i>]	72
Cambodia	
Mak Ben on Objectives of PGNUNS for 1996 [<i>Radio PGNUNS</i>]	72
Indonesia	
Suharto Disputes Rumors on Wife's Commissions [<i>ANTARA</i>]	74
Minister Stresses Need To 'Cool Down' Economy [<i>THE JAKARTA POST 22 Dec</i>]	75
Article Reviews 1995 Economic Growth [<i>THE JAKARTA POST 22 Dec</i>]	75
Laos	
Minister Sends Greetings to SRV Counterpart [<i>Vientiane Radio</i>]	78
Philippines	
Government Lifts Ban on Westinghouse [<i>MANILA BULLETIN 19 Dec</i>]	79
Three Suspected Communist Terrorists Arrested [<i>Quezon City Radio-TV</i>]	79
Thailand	
Public Hearing Committee Meets on U.S. Charges [<i>Bangkok Radio</i>]	80
Court Upholds Extradition of Former MP to U.S. [<i>AFP</i>]	80
Minister on Former MP's Extradition, Drug Panel [<i>Bangkok Radio</i>]	81
Thaksin: Nation 'Plagued With Corruption' [<i>BANGKOK POST 25 Dec</i>]	81
Report Views Problems With Bordering Nations [<i>BANGKOK POST (INSIDE INDOCHINA Supplement) 26 Dec</i>]	82
Chinese Community Hosts Banquet for Li Ruihuan [<i>ZHONG HUA RIBAO 23 Dec</i>]	83
SLORC Will 'Cheat' To Hang On to Power [<i>THE SUNDAY POST 24 Dec</i>]	84
BoI Official Sums Up Investment Situation [<i>BANGKOK POST 23 Dec</i>]	86
Insurance Package Subject to Review [<i>THE NATION 23 Dec</i>]	87
Vietnam	
Paper Warns of Threat From U.S. 'Rightwingers' [<i>AFP</i>]	88
Commentary Reviews Relations With U.S. [<i>Hanoi International</i>]	88
Ministers Attend ASEAN Workshop in Malaysia [<i>VNA</i>]	89
Hai Hung Province Admits 3,099 New Party Members [<i>Hanoi Radio</i>]	89

Japan

Government Responds to DPRK Military Movements

SDF To Watch 'Carefully'

OW2212134595 Tokyo YOMIURI SHIMBUN
in Japanese 22 Dec 95 Morning Edition p 2

[FBIS Translated Text] At a news conference on 21 December, Joint Staff Council Chairman Tetsuya Nishimoto commented on recent military movements in the DPRK (North Korea). He said: "There are no clear signs indicating imminent danger. However, we need to continually watch the situation there. We will work in close cooperation with U.S. forces to gather information." In this way, he was indicating that the Self-Defense Forces [SDF] would watch the situation in North Korea carefully.

Concerning the recent military movements in the DPRK, including the deployment of a long range gun near the demilitarized zone (DMZ), a Defense Agency source said: "Such movements are being seen for the first time in 40 years."

He also called attention to the consequences of severe food and fuel shortages during a hard winter in the DPRK and to Secretary Kim Chong-il's appointments of his relatives to important party posts.

The SDF has said it will not undertake any special actions at the moment. However, it plans to review planned military drills, partly because the Independence, a U.S. Navy aircraft carrier, is scheduled to conduct exercises on the Sea of Japan beginning next month.

DA Cites 'Unusual Increase'

OW2412072395 Tokyo KYODO in English
0651 GMT 24 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 24 KYODO — Japan's Defense Agency [DA] is closely monitoring an unusual increase in military movements on the northern side of the Korean Demilitarized Zone (DMZ), defense sources said Sunday [24 December].

The movements are taking place at a time of worsening food and energy supply in North Korea following devastating floods in the summer. World Food Program staff who have visited North Korea in recent weeks say that in famine areas, people are using the roots of plants as food.

The sources said the agency has assessed the stepped-up military activity in the region as an attempt to instill a sense of discipline in the country in the face of the

shortages and does not perceive them as an immediate threat.

The Japanese Self-Defense Forces are not taking special precautions as a consequence of the activity, the sources said.

But in light of U.S. Defense Secretary William Perry's stated interest in boosting surveillance of North Korea, the Defense Agency is working closely on the exchange of information with the United States and South Korea.

Since October, North Korea has held large-scale military exercises near the DMZ, as well as boosting communications facilities and flights in the area, to an extent one agency source said would have been impossible in the previous 40 years.

The sources said 'he agency cannot entirely rule out the possibility of North Korea embarking on some kind of military action.

They said the agency is watching the situation in South Korea, where former presidents Chon Tu-hwan and No Tae-u have been arrested, as well as monitoring the response of the U.S. military in Okinawa to any emergency on the Korean peninsula, and the worsening relations between the U.S. military and Okinawan civilians.

The agency is also aware that a large number of U.S. troops have been sent to Bosnia, they said.

An alternative agency view is that North Korea is overreacting to the close contacts Japan, South Korea and the U.S. are maintaining because of the anxiety of the three over the situation on the peninsula.

Nosaka: Clinton To Visit 16-18 Apr

OW2612080295 Tokyo KYODO in English
0748 GMT 26 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 26 KYODO — U.S. President Bill Clinton will visit Japan on April 16-18 for talks with Prime Minister Tomiichi Murayama, the government announced Tuesday [26 December].

The Clinton-Murayama meeting is set for April 17, top government spokesman Koken Nosaka said.

Kono To Attend Meeting on Palestinian Self-Rule

OW2312061195 Tokyo ASAHI SHIMBUN
in Japanese 19 Dec 95 Morning Edition p 2

[FBIS Translated Text] On 18 December, Foreign Minister Yohei Kono decided to attend a ministerial meeting of countries supporting the self-rule Palestinian Government, to be held in Paris on 19 January, and to visit India and Pakistan on his way back from Paris.

Kono intends to hold talks with U.S. Secretary of State Warren Christopher, who is also scheduled to attend the Paris meeting, to discuss the schedule for President Bill Clinton's visit to Japan and other issues.

By sending the foreign minister to the Paris meeting, the Japanese Government wants to demonstrate its positive stance on the efforts to support the self-rule Palestinian Government.

The Foreign Ministry has sought to arrange a meeting between Kono and his U.S. counterpart at the earliest opportune time, believing that "in view of present Japan-U.S. relations, it is desirable to hold thorough consultations between Japanese and U.S. foreign ministers at an early date in the new year."

Meeting With Christopher Confirmed

OW2612093195 Tokyo KYODO in English
0919 GMT 26 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 26 KYODO — Foreign Minister Yohei Kono will meet U.S. Secretary of State Warren Christopher in France on Jan. 10, the Foreign Ministry announced Tuesday [26 December].

The two men will confer on the fringe of a meeting on multilateral assistance for Palestinians. Kono will stay Jan. 8-10 in France.

Kono and Christopher will discuss issues relating to bilateral ties, including U.S. President Bill Clinton's state visit to Japan on April 16-18, and major international issues, the ministry said.

Murayama To Meet With Yeltsin 19-20 Apr

OW2612075695 Tokyo KYODO in English
0747 GMT 26 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 26 KYODO — Prime Minister Tomiichi Murayama will visit Moscow in April to attend an international nuclear power safety summit and a meeting with Russian President Boris Yeltsin is also slated, a top government spokesman said Tuesday [26 December].

The summit is slated for April 19-20, Chief Cabinet Secretary Koken Nosaka said.

Kono Notes Tokyo's UN Diplomacy 'Achievements'

OW2612031495 Tokyo KYODO in English
0224 GMT 26 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 26 KYODO — Foreign Minister Yohei Kono said Tuesday [26 December] Japan largely succeeded in showing an active stance at the United Nations in 1995 on global peace and socioeconomic development.

"We made some achievements as far as our UN diplomacy is concerned," he told a news conference in looking back on the past year.

As its major victory in the 185-member world body, Kono singled out adoption of peace- and disarmament-related UN resolutions that Japan proposed along with other countries, including a resolution calling for an immediate halt to nuclear testing.

"I can safely say Japan is now in a position to take the initiative in promoting disarmament, peace, nuclear nonproliferation and stemming nuclear testing," he said.

The foreign minister also said Japan played an active role in the field of economic and social development in the past year, which marks the 50th anniversary of the UN's founding.

Kono expressed disappointment, however, at a slower pace in UN reform efforts. He also said Tokyo will have to set a new strategy for its UN diplomacy for 1996.

Hashimoto: Kobe To Host Quadrilateral Talks

OW2612033595 Tokyo KYODO in English
0300 GMT 26 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 26 KYODO — Trade ministers from Japan, the United States, Canada and the European Union (EU) will hold their next semiannual quadrilateral trade meeting in Kobe in April, Trade Minister Ryutaro Hashimoto said Tuesday [26 December].

"As host of the next quadrilateral trade meeting, no city except the quake-hit Kobe came to my mind," Hashimoto, international trade and industry minister, told a news conference.

"I hope the conference will help encourage Kobe people engaged in the city's reconstruction and I want my colleagues from the U.S. and other places to see the reviving Kobe," he said.

Hashimoto said the quadrilateral meeting in Kobe will be an important gathering as it is intended to lay the groundwork for the Lyons Summit of the Group of Seven industrial countries in June and the December ministerial meeting of the World Trade Organization (WTO) in Singapore.

On the economic front, Hashimoto voiced concern over the further deterioration of the nation's employment situation, calling a November rise of 0.2 percentage point to a record 3.4 percent in the jobless rate "a very serious figure."

Hashimoto said the economy recently showed some signs of improvement but the latest look at the job

market does not warrant too much optimism. "We cannot relax at all."

Citing the economic theory that there is usually a time lag between economic recovery and employment trends, however, Hashimoto said he has hopes the unemployment rate will begin to decrease early next year.

Referring to comments by Economic Planning Agency (EPA) Chief Isamu Miyazaki in Tuesday's informal cabinet meeting, Hashimoto said the key diffusion index for October has improved for the first time in six months.

The remark indicates that the index of coincident indicators may have climbed above the boom-to-bust line of 50 percent in October, following its drop below the threshold for the previous five months, although the figures have not yet been released.

The EPA will formally announce the October results of the key index Tuesday afternoon.

Hashimoto said Tuesday's cabinet meeting finalized his visit to the United States in early January for an annual meeting of trade ministers from the G-7 nations and former communist bloc countries.

He said he will leave Tokyo on Jan. 9, arriving in New York the same day, then go to Baltimore on Jan. 10 to attend the East-West Trade Ministers' Conference.

After the meeting, Hashimoto is scheduled to travel to Washington to meet U.S. Government officials and congressional leaders before returning home Jan. 14.

Hashimoto said that during his stay in the U.S. he will deliver two speeches, one in New York and the other in Washington.

MOFA Sources: Kono To Visit India, Pakistan

*OW2612095195 Tokyo SANKEI SHIMBUN
in Japanese 18 Dec 95 Morning Edition p 3*

[FBIS Translated Text] Foreign Minister Yohei Kono has decided to visit India and Pakistan in mid-January, sources in the Ministry of Foreign Affairs (MOFA) said on 17 December.

Kono will visit the two nations on the way back from the ministerial meeting of countries supporting the Palestinian self-rule government in Paris on 9 January.

Kono had plans to visit the ROK and Africa following the New Year recess, but he decided to give preference to India, Japan's rival in the election for nonpermanent members of the UN Security Council (UNSC) in fall 1996.

The Japanese foreign minister's India visit will be the first by a foreign minister since 1987, when former Foreign Minister Tadashi Kuranari visited there; also, the Pakistan visit will be the first since former Foreign Minister Sosuke Uno's trip in 1988. Kono is expected to meet Indian Prime Minister Narasimha Rao, Foreign Minister Pranab Mukherjee, Pakistani Prime Minister Benazir Bhutto, and Foreign Minister Asif Ahmad Ali. The focal point of Kono's India visit will be discussions on the 1996 UNSC election. Japan and India are competing with each other for a UNSC seat allotted to Asia, and the Japanese Government is afraid that "an unfavorable result of the election may affect Japan's long-cherished wish for permanent membership in the UNSC" (as noted by a senior MOFA official).

Under such circumstances, the Japanese Government considers "We need to strongly work on India to not stand for election this time" (as a MOFA source said), and Kono's New Year visit to India is planned as an important start for the spadework. Kono and Indian leaders are expected to thoroughly discuss the favorable directions of UNSC reform.

Moreover, Kono will strongly request that India and Pakistan ratify the Nuclear Nonproliferation Treaty (NPT) as soon as possible.

Official Rules Out Iran Loans Before Nov '96

*OW2612094495 Tokyo KYODO in English
0913 GMT 26 Dec 95*

[FBIS Transcribed Text] Tokyo, Dec. 26 KYODO — Japan is unlikely to lift a freeze on official loans to Iran before the U.S. presidential election is over in November next year, a high-ranking Foreign Ministry official said Tuesday [26 December].

The official, who spoke on condition of anonymity, said Japan cannot resume extension of its low-interest official credits unless Iran tries more seriously to improve its relations with other countries, especially the United States.

The Japanese stance is apparently intended to ward off possible criticism from abroad of its policy on Iran, which the U.S. and many other countries view as a major backer of international terrorism.

It is feared that Japan's resumption of yen-denominated lending to Iran now would make U.S. policy toward Japan a major issue in the presidential campaign and strain ties between Tokyo and Washington.

At stake is the second installment of 48.5 billion yen in Japan's yen credit package for the construction of a hydroelectric power plant on the River Karun in southern Iran.

Tokyo has suspended its provision of yen loans to Tehran since May 1993, when it supplied 38.6 billion yen in the first installment of finance for the project.

Agency Warns of Anti-U.S. Military Movement

*OW2612113395 Tokyo KYODO in English
1118 GMT 26 Dec 95*

[FBIS Transcribed Text] Tokyo, Dec. 26 KYODO — The Public Security Investigation Agency predicted Tuesday [26 December] that the domestic movement against the U.S. military presence in Japan and the U.S.-Japan security alliance will grow stronger in 1996, and did not rule out illegal acts.

"Political extremists and the Japanese Communist Party are expected to continue to try to fan the struggle against the U.S. (military presence) and the bilateral security treaty," the agency said in its outlook on domestic and international security risks.

It warned that extremists could stage attacks particularly in protest at the forced lease of private land to U.S. bases in Okinawa Prefecture.

Calls for a reduction of the heavy U.S. presence in the prefecture have grown louder since the Sept. 4 rape of an Okinawan schoolgirl, for which three U.S. servicemen are on trial.

The report says that the religious cult Aum Shinrikyo emerged this year as the perpetrator of an unprecedented series of crimes such as the March 20 sarin attack on Tokyo subways.

The agency launched measures toward dissolving the cult based on the Antisubversive Activities Law because "there is an evident danger that the cult will engage in similar activities in the future," the report said.

Noting that ultranationalist extremists staged three guerilla attacks in 1995, which abounded with World War II commemorations, the agency cites concerns that such activities might become more pronounced depending on government and opposition politicians' views on the nation's war guilt.

As for the situation abroad, the report says North Korea has as yet apparently refrained from officially naming a new head of state following the death in July 1994 of President Kim Il-song so as to make use of the late leader's charisma, as the nation is faced with natural disasters and international scrutiny over its nuclear program.

It also said that the north's de facto leader, Kim Chong-il, might hide behind the power of his late father, who wielded strong influence over the military, to ensure the continuity of the country's system.

in China, a September reshuffle in the Communist Party's Central Committee has strengthened president Jiang Zemin's camp, the report said, while warning that domestic trouble first of all on the economic front could unleash another struggle about the nation's direction.

High Court Awards Damages for Base Noise

*OW2612030395 Tokyo KYODO in English
0244 GMT 26 Dec 95*

[FBIS Transcribed Text] Tokyo, Dec. 26 KYODO — The Tokyo High Court ordered the state Tuesday [26 December] to pay a total of 106 million yen in damages to residents near a military base for past aircraft noise caused by U.S. and Japanese planes at night, reversing an earlier court ruling.

"It's unfair to force a limited number of people like residents near the air base to sacrifice themselves for the political and diplomatic importance (of the base)," presiding Judge Hiroshi Noda said.

The judge said the degree of noise caused in the past by U.S. and Japanese jet fighters on night training flights at the Atsugi Base in Kanagawa Prefecture near Tokyo could not be tolerated and government measures taken to prevent the noise are far from sufficient.

The high court ruling came in a retrial of a civil suit filed in 1976 by 72 residents near the Atsugi Base under the Supreme Court's order.

The Yokohama District Court in October 1986 ordered the government to pay 36 million yen in compensation to the residents while refusing to restrict flights.

The Tokyo High Court in April 1986 overturned the ruling on the compensation and upheld the lower court's refusal to restrict flights.

However, the Supreme Court in February 1993 ruled that the state should compensate the residents for their past suffering from the aircraft noise and ordered the High Court to reexamine the case.

The Atsugi Base is jointly used by the Maritime Self-Defense Force and the U.S. Forces.

Nago Officials Seek Delayed Return of Land

*OW2112011495 Naha RYUKYU SHIMPO
in Japanese 20 Dec 95 Morning Edition p 27*

[FBIS Translated Text] Nago — A part of Camp Hansen located in Nago City is scheduled to be returned by the end of 1998. Most of this is city-owned land. The four local districts receiving a share of the military land lease have expressed their opposition to the return plan, claiming "if the base land is returned now, the finances

of the districts will collapse." In view of this, Nago City told the Naha Defense Facilities Administration Bureau [DFAB] on 19 December: "In principle, we object to the return. If the return has to be done, we want a 10-year extension."

The tract of land being scheduled for return is located in the Nago side of Camp Hansen, and most of it is city-owned land. It generates around 100 million yen in military land lease each year, of which around 40 million yen is distributed to the districts of Kise, Koki, Kyoda and Kushi based on their commonage rights. Kise, which receives the lion's share, gets around 25 million yen.

Nago City received a notice from the Naha DFAB on the return of the land on 11 December. Since the four local districts are unanimously against the return, Nago City sent a written reply to the DFAB on 19 December.

The land in question consists mostly of forest, and it is difficult to plan for the use of the returned land.

Mayor Tetsuya Higa of Nago says: "Return of military land should not be done only for the purpose of chalking up the total area of land returned. We ask that methods of return which are acceptable to the local residents be considered."

Vice Mayor Takeo Kishimoto also comments that: "Since income deriving from the bases is an integral part of fiscal resources, it will be difficult for the districts to restructure their finances in three years. We need to look for substitute sources of revenue, and this will take around 10 years."

Polls on Security Pact With U.S., Base Cuts

Disapproval of Pact Rises

OW2612102795 Tokyo MAINICHI SHIMBUN
in Japanese 24 Dec 95 Morning Edition p 3

[FBIS Translated Excerpt] A MAINICHI SHIMBUN opinion poll conducted earlier this month showed the public approval of "maintenance" or "reinforcement" of the Japan-U.S. Security Treaty remained at 39 percent, down 23 percentage points from the April 1994 survey. In contrast, responses calling for future or immediate "termination" of the security pact doubled to 39 percent. In addition, 81 percent said the Japan-U.S. Status of Forces Agreement [SOFA] "should be revised."

Japan-U.S. Security Treaty

The bilateral security treaty was supported by 39 percent of the respondents — 30 percent who wanted "maintenance" and 9 percent who wanted "reinforcement" of the treaty. Also, 39 percent called for a "termination" of

the treaty — 35 percent said it should be "terminated in the future," and 4 percent said it should be "terminated immediately." In our survey in April 1994, the security treaty was supported by 62 percent, although 18 percent opposed it. A high percentage of supporters of the Japan Communist Party [JCP] (70 percent), Harbinger (62 percent), and the Social Democratic Party of Japan (44 percent) wanted the "termination" of the treaty. On the other hand, 52 percent of supporters of the Liberal Democratic Party and 49 percent of those who support the New Frontier Party approved the treaty. [passage omitted]

SOFA

A revision of SOFA was demanded by 81 percent of the respondents — 58 percent who said "a revision is needed" and 23 percent of those who said "a revision may be needed." Only 1 percent answered "no revision is needed." The age group of 20 to 50 showed the most positive attitude toward the SOFA revision. A high percentage of supporters of Harbinger (80 percent), the JCP (77 percent), and the New Frontier Party (67 percent) demanded SOFA revision. [passage omitted]

Japan-U.S. Ties

In response to a question on the prospects for Japan-U.S. ties, the largest group of 46 percent (45 percent in the April 1994 survey) said "no change will occur" while 17 percent expected "worsened" ties and 4 percent said the bilateral ties would "get better." [passage omitted]

National Demand for Base Cuts

OW2612101295

[FBIS Editorial Report] Tokyo NHK General Television Network in Japanese at 1040 GMT on 20 December carries a two-minute report on an NHK nationwide poll on the U.S. military bases on Okinawa. Tokyo MAINICHI SHIMBUN in Japanese, on page 2 of its 23 December morning edition, also carries two reports on results of its nationwide opinion poll handling the same topic, as well as Okinawan Governor Masahide Ota's refusal to sign documents needed for the compulsive land lease for U.S. bases.

In the NHK poll, "83 percent of the respondents wanted the reduction or complete removal of U.S. bases on Okinawa." This figure is divided into 59 percent who said "U.S. bases on Okinawa should be reduced to the level of mainland Japan," and 24 percent who said "all U.S. bases should be removed from Okinawa." NHK says, however, 50 percent opposed removal of U.S. bases to the mainland Japan, while 27 percent said they can accept U.S. bases moved to somewhere in the mainland.

When asked if the Japan-U.S. Security Treaty should be maintained hereafter, NHK says 51 percent of the total respondents said the bilateral security pact "should be maintained after necessary revisions," 19 percent said it "should remain unchanged," and 18 percent wanted "an abolition of the security treaty."

In the MAINICHI poll, 72 percent answered "The scale of U.S. Forces Japan 'should be reduced' either gradually (51 percent) or swiftly (21 percent)."

In response to a question on how U.S. bases on Okinawa should be reduced, 56 percent wanted "scaledown without removal," 36 percent demanded "scaledown by removal to overseas," and only 8 percent approved "removal to other areas in Japan." In addition, 60 percent of the 8 percent group who approved removal of U.S. bases to mainland Japan said they will oppose relocation of U.S. military bases in their hometown or neighboring areas.

Okinawan Governor Ota's refusal of the land lease contracts is supported by 62 percent of the MAINICHI pollees. Only 6 percent said they do not support Ota, and 30 percent picked the "do not know" answer. Ota's action was supported by 87 percent of those who support the Japan Communist Party, 82 percent of those who support Harbinger, 72 percent of those who support the New Frontier Party, and 68 percent of those who support no party.

According to NHK, its poll was conducted from 15 to 17 December as "an interview survey of 1,800 eligible voters, and responses were obtained from 1,242 pollees, or 69 percent of the total interviewees." MAINICHI SHIMBUN says its survey was conducted from 1 to 3 December as a "nationwide mail survey" using "self-administered questionnaires." The questionnaires were reportedly mailed to 3,000 eligible voters, and the response rate was 71 percent.

Former Worker Claims DDT Dumped at Camp Zama

*OW2112052895 Tokyo TOKYO SHIMBUN
in Japanese 19 Dec 95 Morning Edition p 23*

[FBIS Translated Text] On 18 December, a former Japanese base worker claimed that a large quantity of powdered insecticide DDT, collected from U.S. military bases across the nation, was buried underground at "Camp Zama" around 1973. The supposed dumping site at the camp is on the boundaries of both Sagami-hara and Zama in Kanagawa Prefecture, and it is possible that there is a water line under the dumping ground. In the near future, Zama City, which uses underground water as drinking water, will reportedly examine the water of a reservoir near the base to confirm its safety. Meanwhile,

Sagami-hara municipal assembly brought the issue to the city's attention, saying: "We need to investigate this issue." The city is exerting strenuous efforts to deal with the issue, saying: "because of the Japan-U.S. Status of Forces of Agreement, it is difficult" to carry out the investigation.

A man (75), Sagami-hara City resident who worked at Zama Camp as a patrol group leader until 1976, made the allegation. According to him, a dumping site is located in the northeastern section of the base. Reportedly, some 100 18-liter cans of DDT were dumped into a ditch — about five meters wide, 30 meters long, and five meters deep — everyday. Although total quantity of the DDT is unknown, it is said that the dumping continued for several weeks. After that, the ditch was covered with soil.

In response to an inquiry from Sagami-hara City, the headquarters of the U.S. Army in Japan said: "We examined soil samples taken from the supposed burial site, but no trace of DDT was found. Also, none of the employees questioned recalled such an event." However, a Sagami-hara municipal assembly member, who attaches importance to the issue, asked the city to carry out on-base investigation and to assess possible effect on underground water. But the city authority answered: "Unless there is a special agreement, it will be difficult for us to carry out on-base investigation because of the Japan-U.S. Status of Forces Agreement."

In 1971, the Agriculture, Forestry and Fisheries Ministry issued a notice, saying that DDT, when it is disposed of in a large quantity, should be sealed in concrete and buried in clay soil, which poses less danger of contaminating the underground water. But the former base worker claimed that "18-liter cans were opened and powdered DDT poured out."

Shoichiro Toyoda on U.S.-Japan Relations

*962A0010 Tokyo GEKKAN KEIDANREN in Japanese
Oct 95 p 3*

[Article by industrialist Shoichiro Toyoda: "Importance of U.S.-Japan Relations"]

[FBIS Translated Text] FOREWORD

Importance of U.S.-Japanese Relations

This year marks the 50th anniversary of the end of the last war. In looking back on the postwar economic progress, as an industrialist I am particularly impressed with the importance of U.S.-Japan relations.

Regarding its postwar recovery and progress, Japan is indebted to the United States in numerous ways. The

United States introduced the democratic economic system to Japan and provided capital and an affluent export market for its recovery. Japan has learned much from the United States including the modern management system and advanced technology. I feel grateful for the generous and open spirit of the United States and believe that we must not forget it.

There still remains much that Japan should learn from the United States in the future. For example, there is "venture business." Japan must break through the present impasse in its economic circumstances; the role of venture business is to challenge new areas vital for that purpose. Such venture business is actually practiced in the United States where new fields and markets are successively being cultivated. Providing the background is a vigorous entrepreneurial spirit in addition to a climate of respect for individual capabilities and diversity. This is also true regarding "deregulation." Since the latter 1970's, the United States has promoted deregulation in the fields of transportation and telecommunications which has produced today's dynamism in the U.S. economy. I am also impressed with the remarkable leadership by their leaders as well as the response by their industrial circles and the people who have accepted the "pain" accompanying deregulation. On Japan's part, I believe that we should work toward closer U.S.-Japan relations which have become deeply intertwined in the past, and with it as an axis further contribute to the economy of not only the Asia-Pacific region, but also the global economy.

Recently an agreement was reached regarding autos in the U.S.-Japan talks. When we consider the impact on the economies and industries in the United States and Japan, as well as the impact on the global economic and trade systems, the agreement was truly welcome. Notwithstanding, I believe that the economic issues between the two nations will continue to arise in various forms in the future with deepening interdependence between the United States and Japan. On such occasions, it is desirable for both the governments and the peoples to calmly conduct honest dialogue in order to prevent them from developing into serious political issues. For that purpose, I believe that it is increasingly important for the Industrial and economic circles in both nations to further enhance the channels and pipelines for face-to-face dialogue, and to further deepen understanding on a daily basis regarding various bilateral issues.

Article Views U.S. Policy After Auto Talks

952A0805A TOKYO SENTAKU in Japanese
August 1995 pp 90-93

[Names of U.S. persons as transliterated]

[FBIS Translated Text] In the auto talks many see Japan getting her way and the U.S. backing down. U.S. Trade Representative Mr. Kantor's get-tough style with Japan is now a thing of the past. Ryutaro Hashimoto, the Minister of International Trade and Industry, having been presented with a bamboo sword, reciprocated with a small gift to Mr. Kantor's daughter, thus adding another page to their heart-warming story of friendship. Next, in the exchange market, they agreed with one another on intervening to halt the strong yen vis-a-vis the declining dollar. There is the sense of relief all over Japan that U.S.-Japan relations have regained their peaceful nature.

To the cool calculative strategist, however, he just made it clear how soft hearted the Japanese are, and how easy a great profit can be made in Japan with a single strike of a bamboo sword. America is far from letting up on Japan in their economic strategies towards her. By appeasing Japanese anti-American sentiment, he opened the door to profiting from Japanese economic resources to maintain and increase American supremacy. Putting a name to it, would be to call it "The Plan to Re-exploit Japan".

The Japan Pro Leads the Charge

The difference in national power between the two countries was displayed at the U.S.-Japan Financier Conference held at the beginning of July in Tucson Arizona directly after the U.S.-Japan auto negotiations. Ira Shapiro, the U.S. Trade Representatives' law specialist, who actually managed the U.S.-Japan auto negotiations, delivered a guest speech at the opening of the meeting. He gave actual proof of how the Japanese market is closed and hinders the introduction of foreign products. But in contrast to that, Mr. Toyoda Shoichiro, chairperson of the Japanese Federation of Economic Organizations, simply read a paper prepared by the Federation headquarters, hardly touching on the auto issue or the U.S. revisionist theory. At the meeting, representatives of small and mid-sized companies and auto parts makers surrounded chairperson Toyoda and associates, both making cheer and making sure they went home in a good mood.

Moving about the gathering with an ever so cautious look were Glen Fukushima, head of AT&T's Japan public strategy campaign, and Eastman Kodak's Ira Wolfe, former U.S. Trade Representative 2d in rank [title as

published]. They are both former U.S. Trade Representatives having experience negotiating with Japan, have Japanese wives, and can speak Japanese. Having accumulated experience from being with Motorola Japan, the U.S. Congress, and being a U.S. Trade Representative, Mr. Wolfe is a pro when it comes to strategy against Japan. The U.S.-Japan Economic Council, the American branch of the U.S.-Japan Financiers Conference, is being managed behind the scenes by these types of experts on Japan. To go one step further, important individuals such as Donald Fites, the head of the U.S.-Japan Economic Council (and Caterpillar CEO), and Corning Chairman Bill Houghton are the dominant members of the Advisory Council on Trade Policy and Negotiations (ACTPN) and meet with Trade Representative Kantor four or five times a year, stated Mr. Fites (July 13, *The Japanese Financial Times*, morning edition). Of course it was the ACTPN group that strongly supported Trade Representative Kantor's firm stance in the auto negotiations, moreover, it was the ACTPN group that drafted the Clinton Administration's results policy and the numerical targets strategy.

Mr. Fukushima, during his tenure as chief U.S. Trade Representative to Japan supported ACTPN's first report on Japan and falling into disfavor with then U.S. Trade Representative [Carla] Hills, subsequently transferred to AT&T Japan. Mr. Wolfe also took direct participation in the report.

It was the ACTPN group which proposed to the Clinton Administration the idea of negotiations in the areas of governmental supply, telecommunications, insurance, automobiles, and automobile parts. After the auto issue, Eastman Kodak filed suit with USTR against Fuji Film for exclusionary distribution practices in the Japanese market. Handling this issue is the chairman of Kodak, formerly chairman of Motorola, Mr. Fisher, and Ira Wolfe's Motorola group.

After the director of Kodak, frustrated with the slow pace of restructuring, released the former chairperson, Mr. Fisher accepted the invitation to join Kodak in December 1993.

Furthermore, Charles Lake, former chief Trade Representative to Japan and his superior Ira Wolfe, the former second in command U.S. Trade Representative, have teamed up. In other words, there are former members of USTR promoting the U.S. on all fronts. Mr. Fisher is leading this group of expert Japanese strategists.

Fisher, through a re-exploitation of Japan strategy rebuilt Motorola. In Fisher's own words "When I was with Motorola, I opened up the Asian and Japanese market while battling with Japanese corporations", and again, "I've been thinking of how to compete in the

Japanese market ever since joining Kodak." (July 4, *The Japanese Economic Times*, evening edition). During Fisher's tenure, Motorola easily increased its share in the Japanese portable communications market through the USTR, mobilizing Ichiro Ozawa and other powers in the Liberal Democratic Party at the Ministry of Posts and Telecommunications. Fisher used Ira Wolfe to manipulate the semiconductor negotiations behind the scenes and got the Japanese Government to increase the share of the Japanese market occupied by foreign semiconductors to 20%.

Moreover, Fisher is making efforts to exploit Japan in the area of production as well. Taking advantage of his thorough study of Japanese QC [quality control] methods, he introduced new methodologies to improve Motorola's QC methods. Thanks to Fisher putting Motorola's Japan based semiconductor production on track, Motorola is even now expanding its direct investment in Japan.

After learning the strategies used in Asia by Japanese corporations, Fisher got a jump on the competition and through increasing Motorola's market share now has a monopoly on the Chinese wireless radio and portable phone market.

After meticulously researching Fuji Film's "Exclusionary Practices", the signing of exclusive contracts with retailers, Fisher compiled a hefty report on how the Ministry of International Trade and Industry took a leadership role in the industrial world in an effort to exclude Kodak. To top it off, Fisher signed from the USTR Ira Wolfe, who was so beneficial during Fisher's Motorola period. With the unification of the political, governmental, and private entities, it would not be altogether wrong to refer to the United States as the U.S. Incorporated. This unification also applies to trade frictions in the airline industry. U.S. business' thorough exploitation of Japan through the Clinton Administration, during the U.S.-Japan airline negotiations involving Federal Express is another expression of U.S. business' strategy to conquer the Asian market.

President Clinton himself has been studying the U.S.-Japan airline trade frictions issue since last year to take the lead in support from the business community. At the top level APEC (Asia Pacific Economic Cooperation) conference held last fall in Jakarta, Mr. Clinton grabbed Prime Minister Murayama, who was ignorant of the airline issues, and brought up the issue stating "The U.S.-Japan airline agreement gives the U.S. an advantage. Let's revise it into a fair and equal treaty. But We need to address the Federal Express issue along with that." This ended up being a powder keg and deteriorated into sanctions and counter sanctions.

Considering the flow of The U.S.-Japan Comprehensive Conference, the auto and auto parts issue, Kodak's suit against Japan, and the airline negotiations in relation to the U.S. business strategy in Japan, as represented by the ACTPN and individualized in Clinton and Kantor, the essence of this strategy may appear quite harmless. At the Geneva auto negotiations, Representative Kantor, after the final negotiations, took MITI Minister Hashimoto aside as they were preparing for a press conference and all of the sudden in a pleading voice asked "Ryu, could we not get you to drop the Japanese case before the WTO?" MITI Minister Hashimoto responded saying "This is not the place to be talking over such important matters." Until then, Japan still intended to take the case against America's unilateral sanctions towards Japan before the WTO. With Minister Hashimoto agreeing to talks, the two stepped into another room with an interpreter and Japan ended up dropping the case. Witnessing such weakness has led to an increase in disdainful views among the Japanese toward the Clinton Administration and Representative Kantor.

Actually, in America as well, there is a lot of criticism of Kantor's get tough style among American intellectuals. But, it was a political necessity to take a hard-line against Japan before the end of voter registration at the end of June. In particular, with the upcoming presidential election in mind, the Clinton Administration was concerned with Iowa, Michigan, Ohio, and the mid west in general, where the Democratic parties foot hold is weak.

Jim Foster, now in charge of European Union affairs, previously advised Ambassador Mondale and Representative Kantor during his tenure as councilor to the U.S. embassy in Japan, "Negotiations with Japan are a piece of cake. Japan will never give in mid way through negotiations, so there is no sense in getting worked up over it. Set a deadline and Japan will definitely give in at the last minute. That is when you want to be at your best." The U.S. may show a very indecisive attitude publicly, but as seen with the bamboo sword, Representative Kantor gave a top notch performance full of foresight. Behind the scenes, there were cold, hard, and precise calculations being made.

Taking a broader look, The U.S. strategy toward Japan is gradually taking shape. The U.S. has realized and is taking advantage of Japan's gradually weakening industrial competitiveness and is consistent in making use of this to re-energize the U.S. and to increase U.S. market shares. Let's take a look at the points.

Demands for Film Market Share

First, it is a big mistake to think that Japan has won out in the U.S.-Japan negotiations as the Japanese officials

claim. Actually, the U.S. in effect has won. In short, because of the high yen, the situation is already such that Japan cannot help abandoning their domestic keiretsu suppliers and relying on U.S. made auto parts. The U.S. foreseeing this, demanded each automaker supply independent plans allowing the U.S. to put long term parts' share expansion on track.

Second, the U.S. rather than trying to dismantle Japanese closed market practices, the Keiretsu system, and powerful bureaucratic organizations, will through careful preservation of the present system force Japan to turn over more market share to the U.S.

Third, the U.S. rather than continue to brow beat the Japanese bureaucracy will on the contrary work to revive this bureaucratic power and use it to direct the industrial world. Mr. Watanabe and other top members of the Bureau of Machinery and Information Industries, and the younger generation of bureaucrats to a greater extent have sensed the change in the U.S. strategy. They have been asserting that "MITI no longer has the authority to direct industry. MITI's role is to leave things up to market principles; there is no way we can direct the huge industrial world. America's demand for managed trade goes against the current of the times." But since getting the automotive industries plans in mid May, MITI called industry representatives to Geneva and behind closed doors directed industry in just the way they said couldn't be done. In the end, Japan did just what Representative Kantor thought they would, confirming their view of Japan as economically and politically different from the rest of the world.

Bureaucratic organizations are bloating monsters: Their heads market based capitalism; their bodies are made of socialist authoritarianism; and their feet try to wield the power to control market and business activities. This weakens and leads the Japanese economy astray. The ones that know this best of all are the officials themselves (the superlative minority). That is why no progress is made.

In general, America has clearly recognized that Japan has weakened and has abandoned its theory of Japan as a threat. America will support the status quo of weakened Japan and use Japan just as much as she can. There is no political leadership—even the reformed conservative Murayama Socialist Party and Liberal Democratic Parties are not the least bit concerned about this. Whether Japan gets weaker or not is in her hands, and the lack of a reform effort to strengthen her will profit the U.S. The U.S. has estimated that all they need to do is patiently wait for the long term fall of Japan.

In one way, it reflects the two ideas of taking from Japan what you can while you can and apathy towards Japan.

In its extreme form, it leads to Professor Chalmers Johnson's and other revisionists' idea of withdrawing from the U.S.-Japan Security Treaty. From this point of view, America's Japan strategy is one of utilitarianism without regard to principle.

Kodak's case against Japan takes issue with the Japanese Keiretsu system and criticizes MITI's administrative guidance. Taking a look at this it appears they are plotting the dissolution of the Japanese corporate keiretsu system. Of course Kodak is using the breaking of Japanese Keiretsu's as a sounding board but is also claiming the dissolution of the Fuji Film monopoly will benefit consumers. Kodak says it makes no demands for numerical targets or managed trade. But, the same claim was made during the Comprehensive Talks and the auto parts negotiations. It's very obvious Kodak is trying to liberate the market to increase market share in such a way that increases can be seen numerically.

The frame work of the U.S. strategy toward Japan took shape throughout the process of the auto and auto parts negotiations. In addition, the U.S. was able to confirm that Japanese governmental intervention was taking place, even if it was somewhat embellished. It has been established that the same pattern is simply repeated. In the future, if the U.S. would try to resolve differences through diplomatic conferences similar to the auto talks, without wasting time arguing over the dogma of free trade or managed trade, the Japanese would fall right into their hands.

The Spread of Dangerous Apathy Toward Japan

The greatest area of concern for U.S. diplomacy is of course China. Economic interest is to maintain the U.S. domestic economy and prevent inflation. On both these fronts, the U.S. is faced with the necessity of a cooperative Japanese relationship. For this reason a crisis in U.S.-Japan relations seldom surfaces but the tendency to be inherently present just under the surface is strengthening.

After Taiwan President Lee visited the U.S., the U.S.-China relationship deteriorated. With the arrest of Chinese-American human rights activists, U.S.-Chinese relations have been especially troublesome. China is beginning to fill the void left by Japan, as the country viewed as the threat. With the state department also fearing the emergence of Chinese nationalism and isolationism, views valuing cooperative relations with Japan are increasing, resulting in a movement to suppress trade friction with Japan. But, it is hard to imagine this worrisome U.S.-China relationship will continue for long.

Premier Li Peng told a civilian delegation composed of business leaders and former Secretary of State Henry Kissinger during their visit in early July about his confidential talks with President Yeltsin, saying "Recently, when I went to Moscow, I told President Yeltsin, let's unite against those arrogant Americans so we can oppose them. We are not going to sacrifice our [italics added] national interests because of political conflicts." And the U.S. conservatives thought Premier Li Peng had an insular attitude towards the U.S. Nevertheless the contents of his frank discussion went directly to the White House and the Clinton Administration is moving to patch up relations with China. If the Japanese yen falls to the point that Japanese industry revives or interest rates fall such that America's economy regains its strength, cooperation which has continued until present regarding the control of the yen-dollar relationship will vanish.

Whether the issue is China, interest rates, or the dollar, the U.S. strategy toward Japan is no more than one aspect of the re-exploitation of Japan. Japan has to grasp the essence of the U.S. policy toward Japan and must fend for herself. Japan being complacent with the present situation after having abandoned reform is just what the Americans subscribing to the theory of a weakened Japan expect Japan to do.

I heard something terrible in the U.S. The fact that 2,000 dams across the U.S. are in danger of collapse from deterioration is causing a ruckus at academic conferences. That is because the average life span of concrete is 100 years. But, the life span of concrete which has been exposed to the effects of exhaust fumes from highways is shortened to 20 years. The highest authority at the conference of concrete scholars recently has concluded that the real reason for the collapse of the highways in the Kobe earth quake was the deterioration of the concrete. What sent chills up my spine was this: The Ministry of Construction disregarded this and is directing civil reconstruction to be done with straight concrete reinforced construction. This scholar tried to tell Japan, but "the Japanese bureaucrats are hard headed so there is no use in telling them." He ended up dropping the matter. In this way, U.S. apathy towards Japan also leads to Japan cutting her own throat.

Problems in Prime Minister's Office Noted

OW2512122395 Tokyo BUNGEI SHUNJU
in Japanese Dec 95 pp 106-114

[Article by correspondent Iku Aso titled: "Documentary — The Prime Minister's Office Is Dead"]

[FBIS Translated Text] "This is a national secret."

That statement has been uttered innumerable times since the inception of the Murayama cabinet. No cabinet has ever used the words "national secret" so frequently. The contents of the "secrets" are surprising. They are neither diplomatic nor economic; nor are they security problems.

"Whenever Prime Minister Tomiichi Murayama could not make a decision or misjudged important domestic or diplomatic problems, the Office of the Prime Minister gave strict orders to every and all related government agencies to keep silent. On these occasions, they would say, 'This is a national secret, and it is hoped that it will not be revealed.' With this remark, the realities of Prime Minister Murayama's inaction and lack of policy continued to be concealed." This is according to a certain ministry's bureau director general in charge of policymaking.

Such expression as "the Prime Minister's Official Residence has strayed off course" or "it has resorted to do-nothingism" have been conspicuous in recent TV and newspaper reports. However, it is a little known fact that this is only the tip of the iceberg.

One year and four months have passed since Murayama assumed the premiership. Beginning with responses immediately after the death of the DPRK President Kim Il-sung, the Office of the Prime Minister has repeated confusion after confusion, and that confusion has reached its zenith since the start of the second Murayama cabinet, which was formed this August.

In September, the Prime Minister's office confronted the new and difficult problem of "U.S. military bases in Okinawa." The rape of a primary school girl allegedly by U.S. servicemen stationed in Okinawa reportedly "developed into a grave issue that could decide the fate of Prime Minister Murayama."

Immediately after the alleged rape incident became known, public opinion, not to speak of that of the people of Okinawa Prefecture, rallied against the "Japan-U.S. Agreement Regarding Facilities and Areas and the Status of the U.S. Armed Forces in Japan," which prevented the Japanese police from taking the three suspected U.S. servicemen into custody.

The Foreign Ministry, which attaches importance to, the Japan-U.S. Mutual Cooperation and Security Treaty, immediately briefed Foreign Minister Yohei Kono and reminded him that he "made it absolutely clear that no review of the status of forces agreement is possible." Foreign Minister Kono made an announcement to the same effect at a press conference. Director-General of the Defense Agency Seishiro Eto, however, revealed

discordance in the government by telling the press that "reviewing of the status of forces agreement is possible."

The Prime Minister's Office was in confusion from the beginning, and Chief Cabinet Secretary Koken Nosaka was primarily responsible. Chief Cabinet Secretary Nosaka at once summoned Director-General Eto to the office and made him retract his statement. By this retraction, it looked like confusion within the government was averted. Actually, it was not.

The Social Democratic Party of Japan (SDPJ) headquarters reacted with furious rage against Chief Cabinet Secretary Nosaka's action. "What in heaven's name does he have in mind? What was the matter with him to summon the director-general of the Defense Agency and make him retract his statement when the matter of reviewing the status of forces agreement should have been dealt with in a forward-looking manner?"

The SDPJ secretary general, Wataru Kubo, was especially furious and he made a thorough criticism of Chief Cabinet Secretary Nosaka on the phone from his party headquarters.

"Am I not in a pretty fix?" That was Nosaka's initial reaction after having been criticized by Kubo.

However, Nosaka did not have any strategy or foresight about the military base problem in Okinawa when he summoned Defense Secretary General Eto. He had only followed the Foreign Ministry's scheme. "Eto's remarks were unwise. The big worry is how the United States will react. By all means he should be summoned to the Prime Minister's Office, and a ceremony should be held for him to retract his remarks."

Although Eto was described as having been "summoned," Chief Cabinet Secretary Nosaka did not reprove Defense Secretary General Eto. It is well-known that the pair are on extremely good terms, and Eto boasted in the LDP that "I have a special pipeline in the Prime Minister's Office," ever since he assumed office. Needless to say, the "special pipeline" Secretary General Eto boasts of is none other than Chief Cabinet Secretary Nosaka.

In other words, the fact that Chief Cabinet Secretary Nosaka called in Secretary General Eto to the Prime Minister's Office was nothing more than tacit acknowledgement that "the Prime Minister's Office has to look good, and you are asked to come over to the office and then rectify your remarks."

"Am I the Prime Minister's Herald?"

The confusion in the Prime Minister's office did not stop there. In late September, the military base problem

in Okinawa continued with the prefectural governor refusing to proxy sign the land leases for U.S. military use.

The Prime Minister's office fell into major confusion.

One of SDPJ Diet members said, "The Prime Minister and the Chief Cabinet Secretary never imagined the situation would develop into this serious situation. However, the Prime Minister had only one consultant, and that was the chief cabinet secretary. They were visited by repeated perplexities."

In mid-October, barely one month after Defense Agency Director General Eto retracted his remarks, Prime Minister Murayama told the Diet that "the government will study the possibility of readjusting and reducing U.S. military bases in Okinawa" — a remark entirely different from his past statements.

Prime Minister Murayama reads newspapers minutely, but he barely watches television, according to a SDPJ Diet member close to him. He is said to be very nervous about the newspapers' appraisal of his execution of duties. The SDPJ member said: "We advise him not to read the newspapers, because it is impossible to relax mentally, but he cannot repress his anxiety about the newspapers' opinion."

Prime Minister Murayama is reportedly in fine physical health, but "mentally in a serious condition," according to the previous source. Privately, the prime minister is taken care of not only by his second daughter and her husband but also by secretaries the SDPJ sent to the prime minister's office. There were two secretaries until recently, but Prime Minister Murayama "dismissed" one of them.

The SDPJ Diet member said, "The two secretaries were alternately taking the child of Murayama's daughter and son-in-law to and from school. One of them revolted against Prime Minister Murayama, saying, 'I did not come to the prime minister's office to do this kind of work.'"

This sort of occurrence may have increased the mental fatigue of the prime minister.

Now, returning to the main theme, the government's first response to the military base problem in Okinawa was to dispatch Noboru Hoshuyama, director general of the Defense Facilities Administration Agency, to Okinawa. This action had far-reaching effects, and the situation became more serious as Hoshuyama criticized "Prime Minister Murayama as incompetent." It is necessary at this point to verify who decided to send Director General Hoshuyama to Okinawa in the first place.

Last year, Director General Hoshuyama touched off the rage and fury of the Okinawan people by making the remark that "Okinawa has to coexist with the military bases." It was a poor decision by the negotiator. It became apparent that the government's strategy was mistaken.

As a matter of fact, Chief Cabinet Secretary Nosaka was responsible for making a strong appeal to dispatch Director General Hoshuyama to Okinawa.

At first Chief Cabinet Secretary Nosaka thought of sending the Director General of the Okinawa Development Agency as the first "negotiator." However, he could not make up his mind, "It is unwise for it to be interpreted that the Okinawan people are being slapped with bundles of money by appointing the Director General of the Okinawa Development Agency, because that agency is providing Okinawa with a large amount of rehabilitation funds every year."

Finally, Chief Cabinet Secretary Nosaka leaned toward the plan of dispatching Director General Hoshuyama to Okinawa to negotiate with Okinawa Prefecture Governor Masahide Ota. Upon his decision, the chief cabinet secretary asked Director General Hoshuyama, "What are you doing? Hurry up and go to Okinawa."

As expected, Director General Hoshuyama was refused a meeting with Governor Ota. The reasons have not been disclosed as to why Chief Cabinet Secretary Nosaka was not called to account for selecting Hoshuyama as the negotiator.

In the Diet, meanwhile, Prime Minister Murayama and Chief Cabinet Secretary Nosaka had continued to stress: "The cabinet will deal with this problem at the risk of its fate and will positively examine adjusting and reducing the U.S. military bases." Their remarks were very encouraging for the Okinawan people, but the realities are entirely different.

Actually, at this stage, the Defense Agency, the Defense Facilities Administration Agency, and the Foreign Ministry were informing the Prime Minister's office that "the U.S. attitude on the problem of military bases continues to be stern and its resolution is not easy." The "positive remarks" of Prime Minister Murayama and Chief Cabinet Secretary Nosaka had absolutely no prospects and were unfounded.

It might have been a different story should Prime Minister Murayama have displayed his leadership. However, here again the prime minister betrayed the expectations of the people of the prefecture. Both the prime minister and the chief cabinet secretary dared not to take action on their own.

An SDPJ Diet member close to the prime minister revealed: "There were only conversations to the effect that he would lose face if he was refused a meeting with the governor as Director General Hoshuyama had been and couldn't produce a solution, even if he went to Okinawa."

This means that the prime minister only cared about "saving face." It is more than natural that plans did not materialize as easily as reported by the newspapers — "Director General Eto's Visit of Okinawa Is Imminent" or "Prime Minister Murayama May Visit Okinawa."

"The truth was childish. The Office of the Prime Minister and the director general of the Defense Facilities Administration Agency were shifting the responsibility alternately onto each other as to who has to go to Okinawa first," according to a staff member of the prime minister's office.

As a matter of fact, at that time Defense Agency Director General Eto revealed his dissatisfaction by saying, "Why should I have to go there? Am I a herald of the prime minister?"

There was another reason why the prime minister's office was hesitant to take action. In the first place, Governor Ota is in the SDPJ camp, and that is why the LDP proposed that "the prime minister and the chief cabinet secretary should more actively persuade Governor Ota, if a settlement is hoped for." However, both men were in "the worst position" with Governor Ota and the SDPJ Okinawa Prefectural Headquarters, according to a senior staff of the prefectural headquarters.

Factional Strife in the Defense Agency

Immediately prior to the 21 October protest rally in Okinawa, Shigeru Ito, chairman of the SDPJ Security Research Bureau, called on the prime minister's office and was greatly dissatisfied with Chief Cabinet Secretary Nosaka for not having shown any strategy for the settlement. There and then they decided on a plan to cope with the Okinawan problem: "Let SDPJ Secretary General Kubo take care of the problem because there was no hope for action from the prime minister's office."

One SDPJ member of the House of Representatives spoke out: "At this point, Chief Cabinet Secretary Nosaka has lost the capabilities of a person who is concerned. He has kind of given up. Prime Minister Murayama felt dizzy standing up when he heard the word 'Okinawa' and did not know at all what to do. The prime minister's office, thus, was unable to display leadership, and all it could do was to tell the Diet and the press that it would deal with the problem positively."

Very shocking incidents continued to occur. One was whether Director General Hoshuyama had to be relieved of his post. The prime minister's office was in confusion again because it could not immediately dismiss the bureaucrat who had criticized the prime minister as "incompetent."

An SDPJ Diet member said: "It took one whole day for the prime minister's office to let Hoshuyama resign due to resistance from those 'supporters in the Defense Agency' including a former administrative vice minister of Defense Agency who advocated that Hoshuyama 'not resign because a sound argument had been presented.' Thus the prime minister's office fell into a non-functioning state."

The "Hoshuyama incident" drove not only the prime minister's office but also the Defense Agency in question into major confusion. The agency was divided into two.

A former career agency official explained: "The Defense Agency, which has had nothing to do with factions, is now engulfed in factional strife." "Seiki Nishihiro, a former administrative vice minister, currently exerts a great influence over the agency. In the July personnel reshuffle, he quarreled with the then Director General Tokuchiro Tamazawa, because he had a big say in personnel changes. Since he is the Defense Agency's first career bureaucrat to attain the second highest position and because of his contribution to the agency, Nishihiro has many supporters. Hoshuyama is one of the 'Nishihiro supporters,' and the "Nishihiro faction" has been formed unnoticed among the Defense Agency's senior officials. It seems that Nishihiro is not aware of it, but the fact is that the number of officials who are opposed to the factional lines linking Hoshuyama to career bureaucrats has increased recently. They say that "it is outrageous to form factions within the DA." Dormant criticism exploded all at once and seized the opportunity of the "Hoshuyama issue." Thus contention started between the career officials for Hoshuyama and those against."

The confusion and lack of activity in the prime minister's office can be said to have brought to the forefront the loosening of the tight control over the bureaucratic world. The Hoshuyama issue was not the only thing that made the prime minister a lame duck in dealing with the military base problem in Okinawa.

As explained before, the Defense Agency, the Defense Facilities Administration Agency, and the Foreign Ministry continue to tell the prime minister's office that "the U.S. attitude is firm and stern" in connection with the military base problem in Okinawa. As of 26 October,

the date on which I am writing this report, the same situation continues.

However, the Defense Facilities Administration Agency is keeping a tight lid on an important piece of information. Immediately after Hoshuyama was dismissed, a senior official of the U.S. Defense Department quickly made a secret visit to Japan.

A top official of the Defense Facilities Administration Agency testified: "The U.S. Defense Department seemed to have gotten a far greater shock than the Japanese Government could imagine by the issue developing into the dismissal of the director general of the Defense Facilities Administration Agency." "Thus a special envoy was sent in haste to make an astonishing proposal."

The immediate focal point in the military base problem in Okinawa is to what extent the 26-item plan will materialize for relocating and reducing U.S. military bases in Okinawa — a plan already agreed upon by Japan and the United States.

According to the top official of the Defense Facilities Administration Agency, however, the United States made a daring proposal that "it is all right to review the Status of Forces Agreement with respect to granting the Japanese police the right to arrest suspected U.S. servicemen involved in violent crimes in the future." "The proposal also suggested that the 26-item reduction plan can add something more and that it is possible to return a golf range and extensive firing ranges in the U.S. military facilities."

Furthermore, according to an official in charge in the U.S. Embassy, "it was proposed that President Clinton may possibly visit Okinawa and have a dialogue with the prefectural governor, after attending the APEC's informal summit in November."

The Defense Facilities Administration Agency and the Foreign Ministry were surprised because such far-reaching compromises had been beyond their imagination.

A strict gag law on this "proposal" was enforced in the Defense Facilities Administration Agency. On top of that, the Defense Agency director general and the Office of the Prime Minister were not informed. The biggest reason was "to prevent it from leaking to the media."

According to the top Defense Facilities Administration Agency official: "It is true that the U.S. side made a surprising proposal, but there are many items that had to be thoroughly dealt with." "Furthermore, if it were made public, Hoshuyama, who had been compelled to

resign, would utterly lose face. We know that it had to be reported to the prime minister's office, but that office leaks too much information. Telling the prime minister's office is just the same as directly talking to the media."

Japan's supreme leader was given no access to this important information. This means that the prime minister's office is no longer trusted, even by the bureaucrats.

The Chief Cabinet Secretary's Grave Mistakes

As I mentioned at the time of the Great Hanshin Earthquake, the prime minister's office that has become "a solitary island isolated from information" is as good as "dead."

Severely criticized as if he were an A-class war criminal is Chief Cabinet Secretary Nosaka.

According to a secretary at the prime minister's office, Chief Cabinet Secretary Nosaka has committed "three grave mistakes" in addition to the Okinawa problem.

One of them was "the problem of building dikes at Nagaragawa River estuary," which he decided to launch when he was minister of construction in May of this year.

However, when he was an opposition party member, Nosaka put his signature on the petition against the Nagaragawa dike construction project. He abruptly changed his attitude upon assuming the post of construction minister. Civil organizations staged strong protests, and one of the hunger strikers in front of the construction ministry building collapsed and an ambulance had to take him to hospital.

The most furiously enraged at Nosaka's sudden change of attitude was no other than the SDPJ Headquarters. When SDPJ Secretary General Kubo thundered at Nosaka on the phone, "What is the matter with you?" Nosaka answered, "Am I not in a pretty fix?" It was a scene that was repeated when he summoned Defense Agency Director General Eto on the military base problem in Okinawa as previously explained.

A veteran SDPJ Diet member said in disgust: "I cannot understand why he suddenly changed his attitude, such a foolish act when the House of Councillors elections were to be held soon." "It was a very deplorable thing to happen. All House of Councillors members belonging to the SDPJ said in unison, 'Were it not for this, the SDPJ could have certainly won one more seat in the proportional representation district.'"

The second grave mistake was Prime Minister Murayama's "visit to the Middle East." The man who actually pushed through the Middle East tour was Chief Cabinet Secretary Nosaka, and both the SDPJ and the

LDP criticized him. An LDP Diet member said, "Why should the prime minister go to the Middle East at this juncture when piles of problems including economic ones are awaiting solution?" "There should be no leisure time for him to travel abroad."

The truth was that Prime Minister Murayama and Chief Cabinet Secretary Nosaka were tricked by the Foreign Ministry's strategy, as apparent from the fact that the Foreign Ministry officials had frequented the prime minister's office. In early August, the Foreign Ministry explained to the chief cabinet secretary: "Because of its own circumstances, Japan has postponed expected official visits from Middle East leaders including Egypt, Kuwait, and others many times since last year. In particular, the Egyptian president's visit to Japan was canceled twice." The Ministry urged: "Because no Diet sessions are scheduled in September, please go visit the Middle Eastern countries in order to strengthen friendly relations. It is alright for you to go there relaxed like a tourist because there are no serious problems pending between the Middle Eastern countries and Japan."

However, the Foreign Ministry at that time never mentioned "dispatching the Self Defense Force [SDF] to Golan Heights."

A senior Foreign Ministry official confessed: "It was true that within the Foreign Ministry the aim of the prime minister's Middle East visit was said 'to lay groundwork for the SDF to go to the Golan Heights.' In fact, the Ministry's real intention was to make the dispatch of the SDF a fait accompli by Prime Minister Murayama visiting the Middle East."

In order to win a permanent membership in the U.N. Security Council, the Foreign Ministry is employing a strategy to publicize to the world the military presence of the SDF. For that purpose, the Foreign Ministry has made an all-out effort to persuade ruling coalition political parties concerning the dispatch of the SDF to the Golan Heights.

In late August, the coalition ruling parties agreed to a plan to send the SDF to the Golan Heights. However, this "agreement" was not the result of rational discussion among ruling parties. According to a senior SDPJ cadre, "It was decided before one realized by a strong argument presented by the Foreign Ministry."

The SDPJ's opposition was repulsed by the Foreign Ministry's trump card: "Prime Minister Murayama's Middle East visit." "Fast action is needed because the prime minister's Middle East visit is approaching. It is not permitted for the prime minister, who is scheduled to visit the Middle East, to lose face."

According to those related to the prime minister's office, Prime Minister Murayama and Chief Cabinet Secretary Nosaka seemed to seriously think that the Middle East visit could be made in the relaxed atmosphere of a tourist. That is just another source for astonishment.

This time again, SDPJ Secretary General Kubo thundered against Chief Cabinet Secretary Nosaka on the phone. According to the aforementioned SDPJ's veteran House of Councillors member, exactly the same rituals were repeated.

[Secretary General Kubo] Why does he have to go to the Middle East? Do you not see through the Foreign Ministry's intention?

[Chief Cabinet Secretary Nosaka] Am I not in a pretty fix?

Prime Minister Murayama left for the Middle East in the middle of September in accordance with the schedule worked out by the Foreign Ministry.

Go-Ahead Signal for Invoking the Antisubversive Activities Law

The third grave mistake the chief cabinet secretary committed is related to the still ongoing issue, "whether to apply the Antisubversive Activities Law" to the Aum Shinrikyo cult. The non-functioning state of the prime minister's office is more serious than the occasion of the military base problem in Okinawa.

In the morning of 26 September, Yuki Kawachi, deputy director general of the Public Security Investigation Agency [PSIA], waded through lines of cameramen to visit Chief Cabinet Secretary Nosaka at the prime minister's office. A reporter on the live TV relay broadcast said, "PSIA Deputy Director General Kawachi reported to Chief Cabinet Secretary Nosaka on the progress of the PSIA investigation on Aum Shinrikyo to justify the application of the Antisubversive Activities Law. Chief Cabinet Secretary Nosaka instructed Deputy Director General that serious caution must be exercised in the 'application of the Antisubversive Activities Law because it involves matters of constitutionality.'" The report led the TV viewers to believe that Chief Cabinet Secretary Nosaka was taking the initiative in the matter of the Antisubversive Activities Law, but the truth was entirely different.

PSIA Deputy Director General Kawachi called on the prime minister's office because KYODO PRESS SERVICE and SANKEI SHIMBUN had reported that "the PSIA will take procedures to invoke the Antisubversive Activities Law within the week." As the press corps pressed Chief Cabinet Secretary Nosaka as to whether

"the news reports are true, whether the office has knowledge of what was reported, and whether the office is going to render a political judgment on it," Nosaka answered, "Nothing has been heard from the PSIA, and the office will hear from men in charge at the PSIA tomorrow."

However, the prime minister's office was hiding one particular fact.

That was the fact that PSIA Deputy Director General Kawachi had secretly visited the prime minister's office on 25 September, a day "before the official visit," and had reported to Deputy Chief Cabinet Secretary Hiroyuki Sonoda, "The application of the Antisubversive Activities Law is in the final stage." "I cannot say when the proceedings will begin, but it will be very soon."

This was the PSIA's "final report" to the prime minister's office. Deputy Chief Cabinet Secretary Sonoda raised no objections with the PSIA deputy director general's report, which eventually was taken to Chief Cabinet Secretary Nosaka. Nosaka did not make any requests; and, as a matter of course, everything was up to the PSIA's judgment.

Thus, the prime minister's office on 25 September gave the actual green light to invoking the Antisubversive Activities Law. According to the aforementioned SDPJ Diet member, "Chief Cabinet Secretary Nosaka and Prime Minister Murayama decided on a policy of neither opposing nor supporting the Antisubversive Activities Law." "It was a vacillating attitude to avoid having the prime minister's office make a judgment."

On 26 September, PSIA Director General Hiroyasu Sugihara approved a draft text of the "Deadline Notice for Defending Arguments" to be published in the Official Gazette as an initial step toward applying the Antisubversive Activities Law. It was also decided that the text would be taken to the Finance Ministry's Printing Bureau on 27 September.

However, on the evening of 25 September, Nosaka's secretary called the PSIA and said, "Please come over to our office at 9:00 A.M. for the sake of formality."

The aforementioned PSIA Deputy Director General Kawachi's visit to the prime minister's office amidst the volley of camera flashes was nothing but a performance for the media and the people.

Later at an off-the-record talk with the press corps, Chief Cabinet Secretary Nosaka commented: "I instructed Deputy Director General Kawachi 'to make a discreet judgment'." However, the truth was different. One of his secretaries revealed: "Chief Cabinet Secretary Nosaka only listened throughout to what the PSIA deputy

director general had to explain." "The only words he uttered at the end of the meeting were 'Thanks for all the trouble.'"

Immediately after this, the prime minister's office was rocked by major turbulence. This was due to a report of the ASAHI SHIMBUN.

ASAHI SHIMBUN's morning edition on 27 September carried on its front page a report headlined, "Prime Minister Inclined Not To Make Political Judgments in Taking Measures To Invoke the Antisubversive Activities Law on Aum Shinrikyo." Prime Minister Murayama and Chief Cabinet Secretary Nosaka who had actually given the green light wavered to a great extent by seeing the word "political judgment."

Several days later, an ASAHI SHIMBUN reporter on the political desk made a secret visit to the prime minister at his official residence. The reporter advised the prime minister: "The ASAHI SHIMBUN's policy is that Prime Minister Murayama must make a political judgment in connection with the 'Antisubversive Activities Law.' I say now is the time Prime Minister must display its SDPJ character."

To this, Prime Minister Murayama just nodded and said, "Well..." With this as a turning point, Prime Minister Murayama and Chief Cabinet Secretary Nosaka began to lean "cautiously toward invoking the Antisubversive Activities Law."

"Adjustment of Environment, Adjustment of Environment"

Meanwhile, the SDPJ Headquarters caught a trace that the prime minister's office had given the actual go-ahead signal on 25 September. On 26 September its Planning Committee meeting, held to decide the agenda for the Central Executive Committee meeting scheduled for 28 September, took up this problem.

According to a jotted note of a reporter on the beat of the opposition parties, views opposing invoking the Antisubversive Activities Law prevailed at the meeting. "Chief Cabinet Secretary Nosaka failed again. Why did he accept the PSIA's final report without uttering a word? The SDPJ, although it was said to have changed course, can never support invoking the Antisubversive Activities Law."

The meeting was dominated throughout by violent criticism of Chief Cabinet Secretary Nosaka.

On 28 September, a meeting on the Antisubversive Activities Law was held between Chief Cabinet Secretary Nosaka and SDPJ Secretary General Kubo. It was Kubo who summoned Nosaka to the SDPJ Headquarters.

[Kubo] We are absolutely against the Antisubversive Activities Law.

[Nosaka] It cannot be retracted because a go-ahead signal has already been given.

[Kubo] If the law is invoked, the SDPJ cannot survive, and I cannot take responsibility for the predictable uncontrollable intra-party confusion.

Witnesses say that Chief Cabinet Secretary Nosaka was totally absent-minded with eyes cast downward when he returned to the prime minister's office after having been reproached for the third time by SDPJ Secretary General Kubo. Prime Minister Murayama could do nothing but hold his head between his hands.

On 3 October Akio Harada, the Justice Ministry's director of the secretariat, was summoned to the prime minister's office along with the PSIA's chief of general affairs department, Katsuyoshi Yuasa. They were led into the working room of the prime minister. Sitting with the prime minister were Chief Cabinet Secretary Nosaka and Suguru Hayakawa, assistant to the prime minister. Newspaper reports held that Prime Minister Murayama gave several instructions to the Ministry of Justice and the PSIA at this meeting, but the truth was different.

The scene reconstructed by the testimony of a senior Justice Ministry official is as follows:

The prime minister mumbled as if talking to himself, "Invoking the Antisubversive Activities Law will produce the problem of taking care of the cult followers and that would be a serious problem."

Chief Cabinet Secretary Nosaka, although he gave the go-ahead signal, repeated vacillating remarks, "Take cautious actions."

Again, Prime Minister Murayama repeated such incomprehensible remarks, "Make adjustments to environment. You have to think about making adjustments to environment."

Thus, time is being wasted because the prime minister's office wavered in invoking the Antisubversive Activities Law.

One of the secretaries at the prime minister's office commented, "I wonder whether the Justice Ministry and the PSIA know the way Prime Minister Murayama and Chief Cabinet Secretary Nosaka handle problems." "Theirs are the same old trick of 'delaying the decision.' When they confront grave problems, they do not make any decision, but rather delay making a decision by telling the people outside that 'the cabinet will make an all-out effort.' This is the reality at the prime minister's office."

Prime Minister Murayama is on record that he has never displayed his leadership in dealing with the Great Hanshin Earthquake, the Okinawa problem, the Antisubversive Activities Law, etc. It must be added that replacing the chief cabinet secretary is being discussed within the SDPJ where Nosaka belongs.

Let me go so far as to say, "The Prime Minister's Office is dead."

Shinshinto To Demand Diet Dissolution

OW2112104895 Tokyo Khe House of Representatives as soon as the fiscal 1996 budget is passed. The Diet is expected to pass the budget in late March.

Shinshinto Vice President Tsutomu Hata, 60, and party Secretary General Ichiro Ozawa, 53, said the party will then immedYODO in English 0949 GMT 21 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 21 KYODO — Two candidates vying for leadership of the major opposition party Shinshinto (New Frontier Party) said Thursday [21 December] the party will push for dissolution of tiately call for a snap general election.

The two suggested the party will not demand earlier dissolution over the government's controversial scheme to liquidate financially troubled housing loan companies with the use of taxpayers' money.

The two candidates were speaking at an open debate at the Japan National Press Club in Tokyo.

Ozawa and Hata also said Japan should be more involved in UN Peacekeeping activities.

"I think we should fully cooperate with UN Peacekeeping activities at the request and command of the United Nations," Ozawa said.

Ozawa has proposed setting up a new Japanese unit devoted primarily to UN Peacekeeping missions.

Hata said Japan should participate in such logistical duties as transporting troops and refueling. He expressed support for Japan's participation in UN Peacekeeping duties that included allowing Japanese troops to fighting-related activities, which is currently banned under Japanese law. He added, however, that the international community would not allow such a move.

The two politicians, longtime allies, are seeking the presidency of Shinshinto. The outcome of the election will be announced Dec. 28.

Anyone who has Japanese nationality and is aged 18 or more can vote in the election.

SDPJ May Oust Kubo on New Party Issue

OW2112044695 Tokyo *EKONOMISUTO* in Japanese
26 Dec 95 Edition p 17

[FBIS Translated Text] Moves to oust Secretary General Wataru Kubo of the Social Democratic Party of Japan [SDPJ] have surfaced. The SDPJ intends to corner Kubo into assuming responsibility by downgrading the SDPJ party convention set for 19 January 1996 to a "meeting to reform the SDPJ" (stated by SDPJ Chairman Tomiichi Murayama, concurrently prime minister). Kubo wants the 19 January gathering to be a "party convention to disband the SDPJ and to form a new party."

It is widely known that Kubo's ideal is basically an "anti-Liberal Democratic Party [LDP] coalition." He has engaged in behind-the-scenes maneuverings against Murayama and other party members who support the LDP-SDPJ coalition concept. However, the pro-LDP-SDPJ coalition group suddenly became nervous when Kubo proposed a concrete schedule for establishing the new party.

In addition to Murayama, former SDPJ Secretary General Tsuruo Yamaguchi and Chief Cabinet Secretary Koken Nosaka have both expressed their hope to downgrade the January convention to a regular party convention. The aim of their proposition is "not merely to postpone the establishment of the new party but also to initiate moves to ask Kubo to assume responsibility when the meeting is held as a regular convention" (according to a senior SDPJ official).

Moreover, concerning these moves, many observers say that Sakigake leader Masayoshi Takemura (concurrently finance minister), who is considering affiliating with the SDPJ eventually, is subtly involved.

Kubo and Takemura were once in close contact, aiming at forming an SDPJ-Sakigake new party. However, most observers say such moves within the SDPJ came about because of a serious concern about possible behind-the-scenes scheming by the New Frontier Party after Kubo discarded Sakigake and started promoting a plan to form a new party by the SDPJ alone.

Although Kubo has faced various difficult situations in the past because of his indecisiveness, he seems to be facing the most critical one this time.

LDP Seeks Sakigake's Help in 'Power Shift'

OW2012150295 Tokyo *NIHON KEIZAI SHIMBUN*
in Japanese 17 Dec 95 Morning Edition p 2

[Unattributed article: "LDP Sets Sights on New Party Sakigake [Harbinger]—Kato and Others Seek Sakigake Support for Birth of 'Prime Minister Hashimoto'"]

[FBIS Translated Text] Koichi Kato, Liberal Democratic Party [LDP] secretary general, has begun making approaches to New Party Sakigake to seek cooperation in realizing a power shift from Prime Minister Tomiichi Murayama to LDP President Ryutaro Hashimoto (who is concurrently deputy prime minister and foreign minister). The "Group Shinseiki" led by LDP Policy Research Council Chairman Taku Yamasaki, Former Posts Minister Junichiro Koizumi, and Kato, who are referred to as the YKK trio, is scheduled to hold the first meeting with some New Party Sakigake members on 24 December. The group considers New Party Sakigake's cooperation imperative for the birth of "Prime Minister Hashimoto." Yet, its attempt to seek New Party Sakigake's help appears to have something to do with the New Frontier Party's [NFP] presidential election, whose campaign began on 16 December.

Kato's Speech Makes Topic of Conversation

A senior LDP official close to Kato recently met with a New Party Sakigake executive in a room in the Diet building. Their talks centered on Kato's 9 December speech entitled "New Party Sakigake Holds the Key to Power Shift." The LDP official said: "To inaugurate the Murayama coalition government, the LDP first joined hands with the leftists within the Social Democratic Party of Japan [SDPJ] and then with New Party Sakigake. To realize a "Hashimoto government," we would like to first join hands with New Party Sakigake." However, the New Party Sakigake executive said: "It is too early. Such remarks [made by Kato in his speech] will intensify objections within New Party Sakigake to establishing an LDP-led government."

Kato and other LDP leaders expect "the next general election will be held next June or July at the earliest." Thus, they think it is desirable that "Prime Minister Murayama will hand over the reigns of government to Hashimoto after the adoption of budget bills for FY96 at an ordinary Diet session to be convened in January, and the House of Representatives will be dissolved for a general election under 'Prime Minister Hashimoto.'"

LDP Watches SDPJ Moves To Form New Party

After the House of Councillors election in July, Prime Minister Murayama sounded out (then) LDP President Yohei Kono about his taking over the premiership post.

However, the proposed power shift did not take place because of a strong opposition from New Party Sakigake Head (and Finance Minister) Masayoshi Takemura. This is why the present LDP leadership considers it "necessary to first win New Party Sakigake over to its side to realize an LDP-led government," (according to a top LDP official).

The LDP's efforts to strengthen its relations with New Party Sakigake are also aimed at preventing New Party Sakigake from joining a SDPJ-proposed "new party." The LDP leadership appears to reckon joining hands with New Party Sakigake so that "the LDP-New Party Sakigake coalition will be able to maintain a majority in the house even if the SDPJ breaks up over the issue of forming a new party," (according to a senior LDP official).

On 13 December, New Party Sakigake Chief Secretary Yukio Hatoyama told reporters: "Currently, there are no strong objections (within New Party Sakigake) to the inauguration of an LDP-led government." A top LDP official said with a smile: "What he said is very important."

YKK Trio May Be Isolated in LDP

Nevertheless, not all LDP members agree on an LDP-New Party Sakigake merger. This is because there is a possibility that if the NFP splits after the party presidential election, the former Obuchi faction in the LDP, a branch of the former Takeshita faction, and a NFP group supporting Tsutomu Hata may reunite themselves to form a "conservative-conservative alliance." If this happens, the YKK trio, who in the past severely criticized the Takeshita faction's domination of the LDP, may be isolated in the party.

Koizumi reportedly arranged the meeting between "Group Shinseiki" and New Party Sakigake behind the scenes. It appears that the YKK trio's sudden approaches to New Party Sakigake are also aimed at preventing the former Obuchi faction from forming a "conservative-conservative alliance" with some NFP members.

Poll: Hashimoto Most 'Likely' Prime Minister

*OW2612101195 Tokyo TOKYO SHIMBUN
in Japanese 24 Dec 95 Morning Edition p 2*

[FBIS Translated Text] According to the results of a nationwide public opinion poll compiled on 23 December by JUI PRESS, Ryutaro Hashimoto (president of the Liberal Democratic Party [LDP]), deputy prime minister and concurrently minister of international trade and industry, outranked others as the most "desirable" as well as the most "likely" person to become Japan's

next prime minister. At the same time, the support ratings for Ichiro Ozawa, secretary general of the New Frontier Party [NFP] and NFP Vice President Tsutomu Hata have increased since the upcoming NFP presidential election has brought about a favorable effect.

The survey was conducted by individually interviewing 2,000 adult men and women across the nation from 8 to 11 December. The percentage of satisfactory responses was 68.5 percent.

Hashimoto came in first as the most "desirable" person as the next prime minister with 22.2 percent of the respondents supporting him. Although this figure was 0.7 percent below the support rating he garnered in the previous poll last September, Hashimoto far outdistanced lower house Speaker Takako Doi (with a 10.7 percent support rating this time and 7.9 percent last time). NFP leaders placed third, fourth, and fifth: NFP President Toshiki Kaifu with a support rating of 6.3 percent (8.9 percent in the previous poll); Ozawa at 5.7 percent (3.3 percent in the previous poll); and Hata at 4.9 percent (3.8 percent previously). Prime Minister Tomiichi Murayama came in sixth place at 3.3 percent, which was the same support rating as in the previous poll.

Ozawa received support from 27.2 percent of the respondents who supported the NFP, while Hata received support from 18.5 percent of this group.

Regarding "who is likely to become" the next prime minister, 39.2 percent of the respondents cited Hashimoto, but the figure was considerably lower than that (51.1 percent) in the previous poll which was held at the time of his inauguration as LDP president.

Ozawa placed second at 5.9 percent (1.7 percent in the previous poll), followed by Hata at 3.2 percent (0.9 percent previously), and Kaifu at 3.1 percent (3.5 percent previously). Murayama slipped back this time to 2.0 percent from the previous 7.0 percent.

Takemura Announces Stricter Auditing Measures

*OW2612090595 Tokyo KYODO in English
0850 GMT 26 Dec 95*

[FBIS Transcribed Text] Tokyo, Dec. 26 KYODO — Finance Minister Masayoshi Takemura announced Tuesday [26 December] a set of measures to help Japanese banks strengthen their risk management, auditing and checking systems as a way to prevent illicit financial operations like the Daiwa Bank scandal.

"It is necessary for Japan to make a drastic shift in its financial policy," Takemura said at a news conference, acknowledging the Finance Ministry's failure in the past to adequately check expanding bank operations after the onset of the "bubble" economy in the late 1980s.

To try to remedy the situation, he said the ministry will make sure that two key principles will be established in Japan's banking system — self-responsibility of the sector and transparent financial policy based on market mechanisms.

Specifically, Takemura said, the ministry will introduce an early warning system meant to detect irregularities in the banking sector, such as the use of objective criteria for ordering business improvements at faltering financial institutions.

Banks with their capital-to-asset ratio below certain levels, for example, would be ordered to rectify the situation under the warning system, Takemura said.

As a means to accurately assess the capital ratio and other financial standings of certain banks, the new system will require banks to entrust outside accountants with the auditing of their financial records, Takemura said.

The package also features expanding financial inspectors within the ministry by 66 from some 400 people at present, Takemura said, citing a larger scale of about 8,000 at U.S. financial authorities.

The Daiwa scandal, which involved the cover-up of 1.1 billion dollars in U.S. Treasury securities trading over 11 years from 1984, undermined Japan's financial sector already battered by a series of financial failures this year.

Reflecting global concern over Japan's banking system, Japanese banks have been slapped with the so-called "Japan premium," or an extra interest rate on their fund raising overseas.

Takemura said the Finance Ministry's slowness in shifting its policy from regulation-oriented protectionism to a policy based on market forces has been partly responsible for the current lack of self-responsibility at Japan's financial institutions.

The recent series of financial failures and the Daiwa Bank scandal stemmed from the banking sector's inadequate risk management as they mistakenly perceived the extraordinary financial expansion of the bubble economy as sound financial development, Takemura said.

The Finance Ministry was looking the other way while the situation was deteriorating, Takemura said, confirming the ministry's role in the current problem with the banking system.

Takemura also admitted that relations between the ministry and the financial sector could be seen as "nontransparent" as its instructions on key policies were not explained to the public.

"The early warning system and the outside auditing under the new package will ensure objectivity in banking inspections and increase a certain level of distance between authorities and financial institutions," Takemura said.

Takemura said the Finance Ministry promises immediate reporting to local financial authorities in the case of new overseas scandals involving Japanese financial institutions.

"The package will fundamentally change Japan's financial policy," Takemura said.

The introduction of the early warning system means that any bank operating ineffectively would go under as a natural consequence of the market mechanism, ministry officials said, in briefing reporters on the package.

"The package is absolutely indispensable for Japan's financial system. The Japan premium will not be abolished unless Japanese financial institutions correct their attitude," a senior ministry official said.

The package pushes financial institutions to improve their internal inspection systems from fiscal 1996 starting next April, as a lesson learned from the Daiwa scandal, the ministry officials said.

To this end, the ministry will draw up a set of guidelines on soundness of assets, operation in compliance with related laws and regulations, risk management of market trading, including derivatives deals, and computer system management, they said.

The package also asks financial institutions to have outside experts inspect their overseas operations, as well as to employ internal auditors and compliance officers at their overseas branches, who are to be independent from branch managers and report directly to headquarters.

As part of measures to secure sound banking operations, financial institutions are also requested to give longer vacations of some two weeks to employees.

The Finance Ministry will translate data from internal inspections by banks into credit ratings that show the soundness of their capital and other financial conditions, the officials said.

Banks with lower credit ratings will face closer scrutiny by the ministry on their overall risk management, they said.

With an eye to ways to prevent the recurrence of incidents such as the Daiwa scandal, the ministry will increase the number of overseas inspections, the officials said.

For that purpose, the ministry will form a team specialized in overseas examinations, the officials said, noting that some inspectors will be stationed abroad.

The Finance Ministry will keep in touch with its overseas counterparts and share information on a regular basis, the officials said.

The range of mandatory reporting of financial accidents and irregularities to authorities will expand to cover subsidiaries with an equity holding by a parent firm of more than 50 percent, the ministry officials said.

Takemura said he hopes the fresh package will help lift auditing and inspection levels in the Japanese banking sector to U.S. levels in the near future.

He said bills to revise relevant laws for the package will be presented to the ordinary Diet session to be convened in January next year.

He added that steps that do not require any legal revision will be implemented immediately.

Panel To Urge End to Ban on Holding Firms

OW2512153795 Tokyo KYODO in English
1457 GMT 25 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 25 KYODO — A study panel of the Fair Trade Commission (FTC) will release a report Wednesday [27 December] calling for amending the Antimonopoly Law to remove a ban on financial holding companies and other types of holding companies, sources close to the FTC said Monday.

Ryuichiro Tachi, chief of the panel and a Tokyo University professor emeritus, will release the report at a news conference Wednesday, the sources said.

The amendment, if enacted, would authorize the establishment of four types of holding companies by relaxing the ban on such companies stipulated under Chapter 4 of the law, they said. KYODO NEWS SERVICE obtained a copy of the report.

One crucial proposal in the report calls for authorizing the formation of a financial holding company with which a healthy institution could absorb other collapsed institutions for bailout purposes, according to the report.

If the Diet enacts the amendment, the crucial provision is likely to trigger a reconfiguration of the banking industry by allowing the emergence of large financial holding companies under which different financial institutions could be merged.

The report recommends that a holding company be legally required to report to the FTC on any decisions to purchase other companies or acquire an equity stake in them to ensure that such acquisitions do not enable

holding companies to obtain excessive power to control the activities of other companies.

The report notes that the Japanese economy has various large corporate groupings, including six major groupings of closely interlocked companies, which are often referred to as the "keiretsu" system of interlocking companies.

The financial ties of these companies are often strengthened through cross-shareholdings, it says, adding that the percentages of shares held by business firms, rather than individual investors, in each other's companies are generally higher in Japan than in many other countries.

If the government completely scraps the ban on holding companies, new corporate grouping mechanisms based on such holding companies may replace the current keiretsu system as powerful cores to control the huge web of companies left by the keiretsu system, the report warns.

The spirit of the current law banning such holding companies should therefore be maintained to prevent such holding companies from possibly curtailing the international openness and transparency of the Japanese market, it says.

The report also warns that some financial institutions "may apply loose interpretations" to a proposed legal provision to authorize the establishment of a financial holding company, in resorting to anticompetitive practices.

The manner in which the FTC interprets the proposed law after its enactment should be publicly monitored, the report says.

In this connection, the report recommends that the nation's anticartel watchdog sketch out and publicly disclose a set of detailed standards for interpreting the newly relaxed holding company rules.

The FTC plans to draw up an amendment bill on the basis of the panel's recommendations, in a bid to enable the submission of the bill to a regular Diet session starting in late January, the sources said.

The proposed dropping of the ban on holding companies would go into force "around next fall at the earliest," an FTC source said.

The financial community generally commended the panel for authorizing the formation of financial holding companies.

However, an executive at a major commercial bank urged the government to allow banks to engage in investment trust and securities businesses even without

establishing subsidiaries specializing in such business sectors — a relatively costly method of entering the lucrative fields.

"It would not produce many favorable effects, even though they authorized us to consolidate the ties of our group companies on the basis of a holding company system, as they did not abolish the current ban" on banks themselves starting up investment trusts and securities businesses, he said.

In a related development, an official of the Federation of Economic Organizations (Keidanren) deplored the panel's failure to lift various restrictions on nonfinancial holding companies.

A Mitsui and Co. official called on the government to modify the corporate tax system so it can benefit from the planned lifting of the ban on four types of holding companies.

Takashi Imai, president of Nippon Steel Corp., also urged the government to change the tax system so that a corporate tax be imposed on the consolidated pretax profits of group companies.

If such a tax is imposed on a consolidated basis, profits at subsidiaries or at the parent company may be offset by losses at other units of the group, leading tax authorities to soften the tax burden.

Hashimoto Terms MITI Budget 'Satisfactory'

*OW2512081495 Tokyo KYODO in English
0805 GMT 25 Dec 95*

[FBIS Transcribed Text] Tokyo, Dec. 25 KYODO — International Trade and Industry Minister Ryutaro Hashimoto said Monday [25 December] the budget allocated to his ministry for fiscal 1996 was "satisfactory" in light of economic conditions.

Hashimoto said the 9.4 billion yen gain in the budget was a "fruitful" result for the ministry. He made the comments at a news conference after the government approved the fiscal 1996 budget plan.

MITI is earmarked 394.7 billion yen, excluding spending for structural adjustment in the energy sector, in the year starting April 1996, up from 385.3 billion under the fiscal 1995 budget.

Hashimoto said he hopes the new budgetary allocation will help ensure smooth growth in the long term.

The budget will be put toward four priority areas — promoting scientific research and development, boosting information-related technologies, providing assistance to financially fragile small firms and taking comprehensive steps for the energy sector, Hashimoto said.

Hashimoto also said on the day that massive issuances of deficit-covering bonds was an inevitable step.

Such a move will pose a problem in the future by shifting the burden of refunding to future generations, he said. But a "powerful remedy" is needed now with tax revenues sinking due to the slumping economy, he said.

Newspaper Poses Jusen Questions to Takemura

*OW2612024995 Tokyo NIHON KEIZAI SHIMBUN
in Japanese 21 Dec 95 Morning Edition p 2*

[Editorial: "List of Questions Addressed to Finance Minister Takemura"]

[FBIS Translated Text] It has been decided that financial funds [zaisei shikin] will be used to settle the home mortgage companies (Jusen) issue, one that symbolizes the apprehensions about the Japanese financial system. For this purpose, a fund amounting to 685 billion yen [Y] has been appropriated in the Finance Ministry's [MOF] 1996 draft general account budget. This means a per capita burden of Y5,500 burden or a Y22,000 burden per four-member household. If credits are not recovered, it is estimated losses will grow further and more funding will be used.

Despite this, handling of the Jusen issue has been far from clear. As a result of secret coordination between Kasumigaseki and Nagatacho [Tokyo locations of central government and political party headquarters, respectively], the public will be forced to bear the tax burden. And as a result, the public has become increasingly dissatisfied. It is open to question whether politicians and bureaucrats seriously discussed the issue in the process of coordination; and whether politicians have been able to restrain each other. From the public's point of view, the result merely indicates that a political concession has been hastily worked out without clarifying where responsibility lies.

In editorials published on 19 and 20 December, we repeatedly asked for a clear settlement. Despite this, the process of the coordination remains unclear. If the situation is left as it stands, it will create further distrust of the political and administrative systems, and it goes without saying that the monetary system would not be improved.

So we would like to present to Finance Minister Masayoshi Takemura a list of questions about the political settlement of the Jusen issue. We hope the minister will give frank answers because he understands the heavy burden people have been asked to shoulder.

Seven Questions about the Jusen Issue

1. Why were secret administrative tactics adopted in settling the Jusen issue? The bankrupt housing loan companies are nothing less than private companies and we have repeatedly pointed out the issue should be settled using the same legal procedures that ordinary companies face, not through MOF administrative intervention. If legal procedures had been followed, the volume of the losses would have been confirmed and the rights and responsibilities of the creditors could have been coordinated under the supervision of the judiciary authorities.

No details about the Jusen's management, including the extent of the loans and losses, nor any details about borrowers have been made public. In such circumstances, the ratio of losses to be shared by the founding financial institutions, general financial institutions and agricultural financial institutions has been decided by arbitrary discretion of the administration.

2. If an immediate settlement of the Jusen problem is a commitment to the international community, and if it would take too long to settle the problem by legal means, why is it that no adequate "emergency" measures have been taken? If this issue demanded immediate attention, monetary measures, such as financing by the Bank of Japan [BOJ], could have been taken just as it has been done in settling financial bankruptcy in the past.

It is too hasty to suddenly appropriate such funding in the draft general account budget, which is directly connected with the people's burden, not to mention the fact the fund will be used to make up for losses. Was it not only recently that Finance Minister Takemura announced "a declaration on the financial crisis"?

3. Is the political settlement [seiji ketchaku] not tantamount to "redressing [kyusai]" the agricultural financial institutions? Why is it the founding financial institutions are being asked to give up credits amounting to Y3.5 trillion, while the agricultural financial institutions, which provided Jusen with loans amounting to Y5.5 trillion, are being asked to share Y530 billion in losses? On what basis are they being asked to meet no more than this share of the losses?

Finance Minister Takemura originally asked agricultural financial institutions to share Y1.1 trillion for the losses. However, during his 18 December talks with Agriculture Minister Hosei Norota, Finance Minister Takemura easily agreed to the amount suggested by the agriculture minister. What in the world has taken place? As it was decided at the talks that financial funds will be used to reduce the burden imposed on agricultural financial institutions to cover their share of the losses,

the talks were of great significance. We ask that all the details of the talks be made public.

4. The share of the losses faced by agricultural financial institutions will be reduced by a large margin. Have they made any commitment to promote drastic restructuring of themselves? The three-stage system, comprising the Norin Chukin Bank, prefectural credit federations of agricultural cooperatives (known as shinren), and the basic-unit agricultural cooperatives, should, of course, become a two-stage system involving the Norin Chukin Bank and basic-unit agricultural cooperatives, and measures should be taken to consolidate basic-unit agricultural cooperatives. It is not sufficient merely to draw up plans: Schedules should be drawn up and plans carried out promptly.

If any attempt to settle the issue merely maintains the current arrangement without launching any drastic restructuring, public criticism of agricultural financial institutions is bound to intensify.

5. Why is it no measures have been taken to pursue among agricultural financial institutions the question of their responsibility for their management? In a statement on the issue of responsibility, the ruling coalition parties have touched on the responsibility of the MOF, the BOJ, the founding financial institutions and those who have borrowed loans from Jusen. It is quite natural they should be asked to take responsibility. But why is it that nothing has been mentioned about the "responsibility" of the agricultural financial institutions?

Agricultural financial institutions feel too strongly they are the victims. It is said loans were provided because borrowers were introduced by the founding financial institutions. Institutions that accept profits in the form of interest as compensation for the risk, but refuse to take the risk, certainly do not deserve the name of financial institutions. Measures should be taken to closely pursue responsibility for management decisions that provided loans without examining the issues sufficiently.

6. Has the political settlement of the Jusen issue not, on the contrary, revealed the lack of transparency of the Japanese monetary system? International distrust as a result of the bad loan issue has not been eliminated. Despite this, measures have once again been taken to pursue secret administrative tactics, just as was the case in the handling of the Daiwa Bank incident.

In a country where the rule of law exists, it is unbelievable that a study was reportedly made of legal procedures to prevent lawsuits that might be filed by representatives of stockholders, the greatest fear of the founding financial institutions. As expected, however, the ruling coalition parties have removed this concern from their

statement. If the government had gone so far as to draw up super-legal measures [cho-hoki] to force the founding financial institutions to share the additional burden, international distrust would have grown.

7. What is the MOF's responsibility as far as the settlement of the Jusen bad loans problem is concerned? MOF bureaucrats should be asked to bear heavy responsibility for delaying settlement of the bad loan issues and measures must be taken to clarify their responsibilities.

However, any attempt to expand the authority and function of the MOF's Banking Bureau under the pretext of fulfilling their duty, will be tantamount to putting the cart before the horse. The monetary administration is now in the process of restructuring and the Banking Bureau should be given the function of conducting monetary inspection independent of the MOF. In dealing with the bad loan issue, the MOF has held to the malpractice of "convoy fleet administration" [gososen-dan gyosei; the practice of bureaucratic protection of major companies], from which the bureaucracy has supposedly broken away. Priority has been given to protecting the establishment rather than the creation of a clear monetary system. This is the MOF's original sin.

Finance Minister Takemura, we will provide you with space in our newspaper for answers to the above questions. We hope you will answer these questions with responsibility. If you fail to provide detailed enough answers, you should, as finance minister, take responsibility.

BOJ To Inspect Bank Branches in New York

OW2612085795 Tokyo KYODO in English
0844 GMT 26 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 26 KYODO — The Bank of Japan [BOJ] said Tuesday [26 December] it will complete a series of emergency inspections of the New York branches of half of Japan's 21 major commercial banks by the spring of 1996.

Earlier this month, the central bank inspected three of the New York branches of some 10 Japanese banks selected for an emergency inspection, the central bank said.

BOJ inspectors have detected some defects in the three banks' risk management, central bank officials said.

The planned inspections are designed to prevent a recurrence of an incident similar to the Daiwa Bank scandal, in which Daiwa's senior management is charged with ordering a cover-up for the 1.1 billion dollar bond trading loss at its New York branch.

As a result, Daiwa was ordered by the Federal Reserve Board to get out of the United States by Feb. 2.

The 10 banks selected by the central bank have a relatively high dependence on overseas banking operations. The 21 banks comprise 11 "city banks," three long-term credit banks and seven trust banks.

In a parallel step, the central bank will increase by seven to 20 the number of banks whose overseas branches are obligated to accept a triennial inspection of their financial records and risk management systems by BOJ inspectors, the central bank said.

Among Japan's 21 major commercial banks, only Nippon Trust Bank will be exempt from the new obligation, it said.

The triennial inspection will cover the Hong Kong branches of these 20 banks, on top of the central bank's current requirement that the banks' New York and London branches be subjected to its triennial examination.

The central bank will draw up by next spring a list of checkup points for reference by inspectors, according to which the inspectors will examine the commercial banks' financial records and risk management systems.

The Bank of Japan will also make the "check list" available to financial institutions, it said.

The announcement came as Finance Minister Masayoshi Takemura unveiled a set of measures to help Japanese banks strengthen their risk management and auditing systems as a way to prevent questionable financial deals as in the Daiwa bank scandal.

MITI To Support Private Software Development

OW2112140895 Tokyo NIHON KEIZAI SHIMBUN
in Japanese 14 Dec 95 Morning Edition p 5

[FBIS Translated Text] The Ministry of International Trade and Industry [MITI] is flooded with applications to join in the "Creative Software Development Project [CSDP]," which has been designed by MITI for supporting technical development by private companies. The project aims at promoting research and development in such information-related fields as software and network services — areas in which rapid growth can be expected. MITI thus intends to reduce disparity, even if just a little, between Japan and the United States, as it is ahead of Japan in these fields. However, it is also observed in some quarters that the project aims at giving preferential treatment to major companies by distributing subsidies freely.

No Need for Complicated Procedures

According to the new project, MITI will invite the public to submit plans for developing sophisticated software, select those with good prospects, and provide them with subsidies. The United States has promoted technical development through the joint efforts of the public and private sectors and has become an information power. Encouraged by this example, MITI has worked out this project. The disparity in both the sales and number of employers related to the information service industry between Japan and the United States has tended to expand since the beginning of the 1990's, and there is a sense of growing crisis that "if the present situation continues unabated, the Japanese information service industry will soon dwindle." This is the major reason the new project will be introduced.

The Information Processing Association [IPA], an organization affiliated with MITI, will serve as the liaison office for this project, and the IPA office has been flooded with 650 applications, with the total amount of subsidies expected to reach 240 billion yen [Y] just one month after the announcement of the first invitation.

Among the major reasons this project has aroused great interest among private enterprises are: Enterprises themselves are allowed to select topics that are of interest to them; they will be allowed to sell freely the results (software) of the research work by paying MITI a portion (2 percent) of its sales; and they will not be asked to provide details on how the fund will be used.

In supporting research and development projects, MITI has generally supported some large-scale and bureaucrat-led projects so far. Compared with aid for these projects, it is viewed that "the project has appealed to enterprises because there is no need to go through complicated procedures," (as stated by Tomosumi Yamada, managing director of Asahi Chemical Information System.)

"We will study the possibility of continuing this project by taking additional measures, including expansion of the budget," (as stated by a source at MITI's Machinery and Information Industries Bureau.) MITI has become more convinced because of favorable responses. However, the project may become a tricky problem.

Transparent Management Is a Point at Issue

This project is a system of providing support to designated companies or joint ventures. Therefore, if no achievements are made, MITI is bound to become the target of criticism. In this connection, MITI has included in the project a number of programs with good prospects, but then there is a risk the private sector may lose its independence. Moreover, since many programs

planned by major companies will be selected, it is feared that "MITI will be criticized for providing preferential treatment to major companies," (as stated by Sumiyoshi Kazama, deputy director of the Second Business Research Department of the Daiwa Institute of Comprehensive Research.)

The points at issue lie in how submitted programs are selected and how transparency in management can be ensured. Among those programs that have been selected for the first project are several programs submitted by research institutes of foreign countries, such as the United States, with a program submitted by Carnegie Mellon University. On this point, a MITI source states in his analysis that "no criticism will come from abroad."

The United States Is All Nerves

Nevertheless, the United States seems to have become all nerves about the new Japanese system. For example, a senior U.S. Government official says: "The Japanese Government should see to it that foreign companies will also obtain sufficient dividends of achievements made by Japanese companies in promoting their research programs." Since information and communications businesses are the two areas in which both Japan and the United States are expected to achieve the greatest growth in the future, the new project may all the more become a source of new friction depending on how the system is managed.

A budget amounting to Y28 billion, which is a large amount as far as MITI is concerned, will be appropriated for this project. In this connection, those who are concerned, including MITI officials, place high expectations on the project. However, depending on how the system is managed, there is a possibility that it will result in intensifying criticism. Thus, what will be required are new ideas and wisdom in managing the system.

North Korea

U.S. Urged To Ease Tension in Korea

SK2412060595 *Pyongyang Korean Central Broadcasting Network in Korean*
1222 GMT 23 Dec 95

[NODONG SINMUN 23 December commentary: "The United States Should Behave With Reason"]

[FBIS Translated Text] The United States keeps bolstering rumors on threats by North Korea. Reports say the United States will send the aircraft carrier Independence and two submarines armed with nuclear weapons to the waters of the Korean peninsula because North Korea may invade the South by taking advantage of the current South Korean political situation. According to

the puppet military circles, the U.S. aircraft carrier and armed submarines will conduct a war exercise with their destroyers and submarines.

As has been learned, the political and economic circles of South Korea have been driven into great confusion and face a serious crisis due to the secret fund scandal and the Kwangju massacre. This is a due outcome in light of the South Korean rulers' corrupt and anti-people nature. Embarrassed by this, the Kim Yong-sam puppet clique abruptly talked about a possible provocation by North Korea. Blaring as if we would attack them on this occasion, they issued an emergency mobilization order to the entire military, reinforced their Armed Forces, and are madly waging war exercises.

The puppet military leaders have recently blared it is necessary to establish a so-called emergency management system to immediately cope with North Korea's provocation. Of course, it is needless to say that this commotion by the Kim Yong-sam ring is nothing but a mean trick to avoid the arrow of the people's hatred and indignation pointed at them by making the people feel a sense of crisis.

By the way, the United States is chiming in with the South Korean puppets' acts and is encouraging them. We cannot but look at this seriously. Many military experts and the just and fair world public view that the assumption on North Korea's provocation mentioned by the South Korean puppets is fanciful and that there are no signs of North Korea's provocation. This is true. Regardless of the South Korean situation, we continue with our peaceful construction and are trying to establish a new peace mechanism with the United States to prevent war in Korea. This shows our position.

Facts prove that the rumor of our possible provocation and threat from us is a downright lie. We are the ones who should be talking to the South Korean puppets about possible provocations and threats. Nonetheless, the South Korean puppets are talking about someone else's provocation and threat. This is aimed at breaking through the crisis by transferring the South Korean people's attention to something else and, furthermore, is aimed at preparing a ruse to attack us.

In fact, the South Korean puppets are making bustling military moves while raising a rumor on our threat, thus making the situation extremely tense. They are a group of thieves and warmongers who can do everything to meet their lust of power and wealth, taking no regard of the national destiny, like traitor Kim Yong-sam who has been driven into a deadlock with a series of disclosed materials that show his involvement in No Tae-u's filthy secret fund scandal. No one can predict what and when they will venture on.

The United States is attempting to reinforce its Armed Forces, repeating the rumors on our threat with the South Korean puppets. This shows the U.S. attempt to invoke a war of aggression against our Republic with the South Korean puppets. This is precisely at what we are seriously looking. The United States will have no profit by protecting the dying puppets, vicious national traitors, a fascist ring, and a group of thieves, and by playing into their hands. The United States should now give deep thought and take reasonable steps to ease tension on the Korean peninsula.

U.S., Japan 'Scheming' on Military Exercise

*SK2612123295 Pyongyang Korean Central
Broadcasting Network in Korean
2200 GMT 21 Dec 95*

[FBIS Translated Text] According to a report from Tokyo, the Japan Self-Defense Forces and the U.S. Forces in Japan are scheming to hold a new joint military exercise. On 20 December, during the meeting of the combined staff of the Japan Self-Defense Forces, they announced that they would hold a Japan-U.S. joint military commanding exercise from 25 January to 2 February of next year.

While reporting on this, KYODO News Agency revealed that during this exercise, which will be carried out at the Japanese Defense Agency Central Command and the Yokota U.S. Air Force Base, the Self-Defense Forces of the Army, Navy, and Air Force and about 7,300 U.S. Forces in Japan will take part. Japan and the United States, which have been ceaselessly carrying out military exercise maneuvers in Japan this year, are scheming to carry out the joint military exercise commotion as soon as the new year emerges. This shows that their war maneuvers will continue to be carried out all the more in a crazed manner.

Pomchonghangnyon Decries Treatment of Dissidents

*SK2612114095 Pyongyang KCNA in English
0715 GMT 26 Dec 95*

[FBIS Transcribed Text] Pyongyang, December 26 (KCNA) — The North side headquarters of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon) released a statement on Sunday bitterly denouncing the Kim Yong-sam group of South Korea for having arrested chairman Kang Hui-nam and 28 other members of the South side headquarters of the National Alliance for the Country's Reunification (Pomminnyon), calling their headquarters an "organization benefitting the enemy."

This anti-national, anti-reunification act is part of the traitor Kim Yong-sam's heinous and shameless plot to threaten, at the point of bayonet, the democratic forces, the main forces of the movement for ousting the traitor, divert elsewhere public resentment and protest from himself and get on the nerve of the North, thus getting out of the wood, the statement said, and continued:

He must be deeply aware that the reckless suppression of the patriotic forces of the movement for reunification can never save him from the hopeless crisis.

He must clearly see the trend of the time and unconditionally release the arrested members of the South side headquarters of Pomminnyon as well as presbyter Pak Yong-kil, students Chong Min-chu and Yi Hye-chong and all other patriotic champions of reunification and students. He must also promptly scrap the "National Security Law," an anti-reunification fascist law, and admit all the anti-national, anti-people crimes he has committed under the deceptive, criminal veil of the "civilian government," before facing a punishment.

Buddhists Note Roadblocks to Reunification

*SK2612113895 Pyongyang KCNA in English
0710 GMT 26 Dec 95*

[FBIS Transcribed Text] Pyongyang, December 26 (KCNA) — The Kim Yong-sam clique's brutal suppression of members of the South side headquarters of the National Alliance for the Country's Reunification (Pomminnyon) is an unbearable insult to the desires of the nation for reunification and a last-ditch effort of those upset by the people's campaign for a probe into the truth behind the shocking "slush fund case" and the punishment of principal culprits of the May 18 Kwangju massacre, says the Central Committee of the Korean Buddhist Federation in a statement December 25.

The statement views the arrest of pro-reunification patriots on the part of the kingpin of corruption and irregularities, who has used the "presidential" chair for money-making, as the height of impudence and the culmination of crime that can be found only in South Korea where injustice prevails.

The present-day realities, it notes, prove that with such an arch separatist and illegal wealth hoarder as the traitor Kim Yong-sam remaining in power, national reunification, the cherished desire of the fellow countrymen, cannot be achieved nor can the South Korean people get rid of increasing disasters and disgrace.

The statement warns that Kim Yong-sam the traitor should look squarely at the realities, immediately release all the arrested members of the South side headquarters

of Pomminnyon, confess his high treason before the country and people of his own accord and face a stern judgement by history.

'86 Usong' Crewmen's Return Reported

*SK2612093395 Pyongyang KCNA in English
0918 GMT 26 Dec 95*

["Crewmen of South Korean Vessel '86 Usong' Return" — KCNA headline]

[FBIS Transcribed Text] Panmunjom, December 26 (KCNA) — Crewmen of the South Korean vessel "86 Usong", which was captured for illegal intrusion deep into the territorial waters of the northern half of Korea, returned to South Korea this afternoon via Panmunjom.

The crewmen, whose vessel was captured by a naval patrol boat of the Korean People's Army on May 30 this year, were under investigation by a concerned organ of the North.

They frankly admitted their illegal intrusion into the territorial waters of the North as well as their criminal attempt to flee defying the North's self-defensive measure and sincerely apologized for them.

Prior to departure for Panmunjom, they had a press conference in Pyongyang this morning, at which they said that, during their stay in the North, they witnessed the true looks of the anthropocentric Korean-style socialism in various places, had their chronic diseases healed free of charge thanks to the benefits of the genuine health care system and shared feelings of kinship with northerners.

They were warmly sent off by working people and youth and students in Kaesong.

At the Panmun House, the crewmen recollected with deep emotion the pleasant and happy days they had spent in the North and expressed deep thanks to the government and the people in the North for leniently pardoning them and sending them back home before the new year's day.

At 4 p.m., they crossed the demarcation line in Panmunjom to go to South Korea.

They took with themselves the remains of two crewmen who died at the time of the capture and another who died of illness, which were cremated as they wished.

Crew of '86 Usong' Interviewed*SK2612065495 Pyongyang KCNA in English
0648 GMT 26 Dec 95*

**["Crewmen of S. Korean Ship '86 Usong' Interviewed"
— KCNA headline]**

[FBIS Transcribed Text] Pyongyang, December 26 (KCNA) — The crewmen of the South Korean ship "86 Usong", which illegally intruded deep into the territorial waters of the northern half of Korea before being captured in May, called a news conference in Pyongyang prior to their return to South Korea today according to a humanitarian step of the DPRK Government.

At the conference, the Captain Pak Chae-yol, on behalf of all the crewmen, made a deep apology again for their illegal intrusion and criminal attempt to flee regardless of the self-defensive step of the Korean People's Army, and expressed sincere and deep thanks to the authorities of the North for showing leniency and compatriotic hospitality and sending them back.

The period of their stay in the North was meaningful days which made it possible for them to have a correct understanding of the North through their own experience, he said, adding: "I was most deeply impressed by the looks of the society of the North which is united as one, and this powerful singlehearted unity is attributable to the great leader, I think."

"The socialist society of the North is an excellent socialism which will be welcomed by all ordinary people as us. We thought that we should contribute to national reunification."

The Chief Engineer Kim Pu-kon said: "What moved me most everywhere I went was that all the people, young and old, whom we met, were missing the great President Kim Il-song and revering respected General Kim Chong-il. If forced, they would not have done so. Only those who are fascinated by the greatness of the leader can do so."

The Captain Pak Chae-yol and the Deputy Chief Engineer Yi Pyong- so noted that they had their diseases cured thanks to the free medical system of the northern half of Korea.

A crewman Kim Yong-ha said that reunification is what the North and the South all wish. "When the great unity of the whole nation is achieved reunification will be sure to come, as President Kim Il- song said," he stated.

In conclusion, the crewmen sang the song "We Will Always Remember the Northerners," which they had written and composed reflecting their firm resolution to

devote themselves to reunification to the last no matter what storm may come in their way.

Japan Joins U.S. Regarding 'Threat' 'Rumor'*SK2612093795 Pyongyang KCNA in English
0922 GMT 26 Dec 95*

["Japan Joins in 'Threat From North Korea'" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 26 (KCNA) — Japan is these days chiming in with "threat from North Korea", a rumour spread by the United States, according to reports.

KYODO December 24 reported that Japan's Defence Agency is closely monitoring an unusual increase in military movements in North Korea and is working closely on the exchange of information with the United States and South Korea.

The Defence Agency's exchange of information is related to the U.S. Defence Secretary William Perry's stated interest in boosting surveillance of North Korea, KYODO said, adding:

Sources said that the agency cannot entirely rule out the possibility of North Korea embarking on some kind of military action and it is hastily taking a countermeasure.

KYODO reported that the Defence Agency would publish a report analysing the military situation in Northeast Asia in the next fiscal year starting April with a 15 million yen appropriation.

The report would reportedly survey the military situation in the Korean Peninsula and other regions.

It is as clear as noonday that in light of Japan's Defence Agency joining in the fictitious "threat from North Korea", the report would be a document for making the "argument about threat from North Korea" fait accompli. Facts prove that the Japan's overseas expansion is posing a realistic danger and is getting all the more undisguised.

Seminar on Discrimination Treaty Held in Japan*SK2612113695 Pyongyang KCNA in English
0635 GMT 26 Dec 95*

[FBIS Transcribed Text] Tokyo, December 22 [date as received] (KNS-KCNA) - A seminar on treaty of ban on racial discrimination and Japan was held in Tokyo on December 15 under the sponsorship of the Forum for Human Rights of Korean Residents in Japan.

Lawyer Shigeru Tokoi, executive chairman of the forum, made a speech under the title "Treaty of Ban on Racial Discrimination and Korean Residents in Japan."

In his speech he contended that the Japanese authority are bound to take measures to rectify practices of discrimination against Korean residents in social security for the aged and handicapped and national education.

Speakers said at the seminar that [words indistinct] movement for the treaty of ban on racial discrimination.

ROK Minister's Inaugural Speech Criticized

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[NODONG SINMUN 23 December commentary: "Remarks That Stem From a Morbid Way of Thinking"]

[FBIS Translated Text] Kwon O-ki, minister of the puppet National Unification Board [NUB], reportedly said something weird in his inaugural speech on 21 December, talking about the globalization of the reunification policy and discussions, and how meaningless are the experts' discussions on reunification. Our first grave concern from Kwon O-ki's inaugural speech is his morbid way of thinking as an NUB minister, not recognizing the country's reunification as an internal issue of the nation but as a matter of another world. Such a way of thinking does not regard the country's reunification as an internal issue of the nation, but makes it impossible to resolve the reunification issue, one of vital importance, with the strength of our nation and in accordance with the interests of our nation by the hands of Koreans, and will eventually involve foreign forces in resolving the reunification issue.

When previous South Korean rulers called for foreign involvement in resolving the internal issues of the nation, we repeatedly clarified the nature of the reunification issue and declared the principle of independence as the fundamental principle of the reunification issue. We cannot resist disappointment and shock at the NUB minister's inability to squarely view the essence or character of the reunification issue, talking about the globalization of the reunification policy or discussions. An NUB minister should know that the reunification of the fatherland is in every way an internal issue of the nation, and thus, an independent position on the reunification policy and discussions should be maintained, and that in resolving the reunification issue, top priority should be given to the interests of the nation while maintaining the principle of independence.

Kwon O-ki said that the experts' discussions on the reunification are meaningless and that top priority should be placed on the so-called national consensus in accomplishing the reunification policy. There is something in his remarks that cannot be overlooked. Originally, the reunification issue of our country was a

pannational issue. Thus, the reunification issue should not be monopolized by the authorities and a few people. We have consistently opposed unifying the dialogue channel, which the South Korean authorities pursue, and demanded pannational dialogue broadly participated by people from all walks of life and freedom to discuss reunification.

If Kwon O-ki was to say something right in his inaugural speech, he should have talked about the abolishment or withdrawal of all policies on unifying the dialogue channel and on suppressing discussions on reunification, which the NUB and the South Korean authorities pursue, and should have discussed the release of the South Korean members of the National Alliance for the Country's Reunification [Pomminnyon], who conducted the reunification movement reflecting the people's desire. However, Kwon O-ki turned his back on the dearly desired of the South Korean people and the urgent task of South Korea. This shows that he, who took the office of the NUB minister, does not have a wise reunification philosophy that we can expect.

In his inaugural speech, Kwon O-ki reportedly even talked about giving help to the North Korean people. These are impudent remarks and too shallow a trick to be uttered by the NUB minister. If he truly intends to increase his popularity using the minister's post, he should seek a resolution to gain political rights and right to existence of the South Korean workers, peasants, and a broad range of people, whose national sovereignty has been infringed upon under the rule and interference of foreign forces, and whose rights have been scarified by secret funds and black money politics.

It is reckless for him to utter any words out of elation of an overnight minister. If Kwon O-ki has the slightest consideration for the reunification of the country, he should first stop uttering antireunification remarks that run counter to the aspiration and desire of the nation.

Kim Chong-il Discourse on Revolutionary Elders

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[Discourse (tamhwa) by Kim Chong-il published in NODONG SINMUN on 25 December: "Respecting Revolutionary Elders Is the Sublime Ethical Duty of Revolutionaries"]

[FBIS Translated Text] Seventy years have elapsed since the inception of the chuche revolution in our country. In the course of the sacred revolution, many generations have devoted their valuable blood and sweat to the people's freedom, the fatherland's sovereignty

and independence, and the socialist victory, and many revolutionaries have registered feats and accumulated brilliant achievements.

Our people respect past revolutionaries as revolutionary elders, value their revolutionary spirit and achievements from their struggle, and they are also faithfully inheriting and developing the revolutionary cause pioneered by the elders. This is a noble moral that our people have glorified generation after generation. This is also a basic factor that has enabled our revolution to be ever-victorious even in complex circumstances.

The history of the international socialist movement offers us the serious lesson that the revolution can victoriously advance when people respect revolutionary elders and defend and develop their revolutionary achievements, while the revolution is broken up and is frustrated when people turn their backs on the revolutionary elders and rebut their achievements.

In the past, opportunists in leading positions of the party and the state in some countries where socialism was being constructed committed a treachery of disgracing revolutionary elders and destroying their achievements. This damaged the honor of communists, blemished the image of socialism, and finally ruined the socialist system itself.

To correctly establish the view and attitude on revolutionary elders is a very important issue for developing the socialist movement. Only when we uphold the red revolutionary banner upheld by our revolutionary elders generation after generation can we achieve the victory of the popular masses' independence cause, the socialist cause.

1. To Respect Revolutionary Elders Is the Demand of the Revolution and a Noble Moral That the Revolutionary Should Hold. [subhead]

The socialist cause can advance and be completed throughout the course of inheriting and developing seniors' revolutionary achievements by descendants through generations. One's attitude toward revolutionary elders is one's attitude toward the revolution and is an important matter that concerns the destiny of the revolution. Respecting revolutionary elders means positively considering those revolutionaries who devoted their all to the struggle for the revolutionary cause. It also means defending, protecting, inheriting, and developing their revolutionary ideas and revolutionary achievements.

Revolutionary elders' sublime revolutionary ideas and the achievements they attained through an arduous struggle are revolutionary gains and are the valuable ground for the succession and completion of the rev-

olutionary cause. The revolutionary cause can advance through generations and can successfully be completed only when all generations that are to take over the baton of the revolution defend, protect, inherit, and develop the revolutionary elders' ideas and achievements.

To rebut the revolutionary elders' struggle and achievements with a nihilistic attitude means moving off the revolutionary road and betraying the revolution. To slander revolutionary elders and disgrace their ideas and achievements is to disgrace the revolution and to curry favor with challengers to the revolution.

The working-class party should invariably inherit and develop the socialist cause pioneered and advanced by revolutionary martyrs, with boundless loyalty to and firm faith in the revolution, and should consider revolutionary elders and concentrate on indoctrinating the people in their ideas and achievements.

One's attitude toward revolutionary elders is a matter concerning one's attitude toward the revolution, as well as a matter of revolutionaries' morals. Morality is a primary token that distinguishes a revolutionary's trait. Revolutionaries should keep revolutionary ideas and hold genuine humanitarian traits with noble morality.

Conscience and a sense of obligation are the inherent virtue of mankind, and are the source of mental strength inspiring the people to voluntary and beautiful acts.

Those who fail to observe morality and are without a sense of obligation or conscience, even if they have advanced ideology, will not be able to preserve noble human traits and become genuine revolutionaries.

Even in the old society, those who had consciences treasured morality and the sense of obligation and evaluated men's characteristic value based on them. They regarded acts that violated morality and the sense of obligation as acts not worthy of men.

However, in the exploitative society, genuine morality cannot develop nor can it rule society. Individualism, which constitutes the basis of exploitative society, cannot be consistent with truthful morality and a sense of obligation, and a relationship based on morality and a sense of obligation cannot be forged between the exploiting and exploited classes.

Moral hypocrisy is the true color of the exploiting class and moral degeneration is an essential outcome of bourgeois society. Those possessed of the noblest human traits are the communists who love the people and who struggle for the independent cause of the popular masses.

Love of and trust in mankind are the basis of genuine human relations and human morality. It is morally noble

and shows a sense of obligation when one works for other people, before working for oneself, and dedicates oneself to society and the group.

Communists value and love the people. They treasure the interests of society and the group more than those of individuals. Therefore, they devotedly struggle for the people, society, and the group, not for individuals' interests and fame.

It is the communist revolutionaries who endlessly love their comrades and people with noble human love and who struggle by dedicating everything to the people. They struggle to achieve the independence of the popular masses with revolutionary consciences and noble morality and a sense of obligation.

Those who cannot love the people, ignoring the people's interests, and who have no conscience or sense of obligation and humanity can be neither communists nor revolutionaries.

It is an inviolable revolutionary obligation for revolutionaries to respect revolutionary elders. Although relations between seniors and juniors in the revolution have a difference in starting the revolution before and later, these relations are comradely relations between revolutionaries who fight on the same single revolutionary road.

If relations between parents and sons are defined as relations of flesh and blood that offer and receive physical life, relations between revolutionaries can be called relations between revolutionary comrades who share the same intentions and destiny on the single revolutionary road and who glorify their social and political life to be more precious than physical life.

The relations between revolutionaries are genuine communist human relations based on comradely love and revolutionary morals. It is a moral outlook and trait of communist revolutionaries to warmly love their revolutionary comrades and regard it as a lofty duty and honor to keep a revolutionary sense of obligation between comrades.

Therefore, the revolutionaries regard it as a most disgraceful act of treachery to betray revolutionary comrades and abandon conscience and a sense of obligation in their relations with comrades.

The latter generation's respect for revolutionary elders, who are the revolutionary forerunners and who dedicated their lives to and made achievements in the revolutionary cause, can be called an even loftier moral necessity and obligation than that between revolutionaries.

The revolutionary martyrs unhesitatingly dedicated their lives to the fatherland, to the people, and to the happiness of the future generations, not to their own interests and honor, and made precious revolutionary achievements.

Even at their last moments in the decisive win-or-die battlefield or on the scaffold, the revolutionary fighters shouted, "You must love the future!" This is because they loved the future generations.

Thanks to the heroic struggle of the revolutionary martyrs, the revolutionary road was opened and revolutionary gains were obtained. Thus, the independent and creative life of the people flowered.

It is a revolutionary obligation and lofty moral duty, which the people of later generations should rightly observe, to respect the revolutionary elders who struggled by dedicating everything to the later generations.

The supreme representative of revolutionary elders is the leader [suryong], and loyalty to the leader is the highest expression of revolutionary morals.

The leader [suryong] of the working class is the head and leader [yongdoja] of the revolution. The popular masses are the main force of history, but they can assume the position and fulfill their role as the true masters of their destiny and as the independent main force of history only when they are led by the outstanding leadership of the leader.

The leader presents a scientific and revolutionary ideology, strategy, and tactic that awakens and organizes the masses; leads the revolutionary struggle to victory; endows the people with a valuable sociopolitical life; and leads them to glorify their valuable life along the road of revolution. The leader's leadership fosters thousands of revolutionaries and arouses the people to the revolutionary struggle. The leader's leadership cultivates the socialist cause and victoriously advances that cause. The leader's lofty ideology and outstanding leadership brings about great revolutionary achievements and glorifies the honor and dignity of the revolutionary generation.

Inheriting the popular masses' cause for independence, the socialist cause, means inheriting the leader's cause; inheriting the ideology and achievement of the revolutionary seniors means inheriting the leader's revolutionary ideology and leadership achievements. Respect for the revolutionary seniors is graphically expressed by loyalty to the leader. Being loyal to the great leader [widaehan suryong] generation after generation is the duty and ultimate revolutionary fidelity of the revolutionaries. The revolutionaries must resolutely support and defend the leader's ideology and achievement, and

must loyally inherit and develop the leader's revolutionary cause.

As written in history, the imperialists and betrayers of the revolution rejected the socialist cause and turned their brunt to the leaders [suryongdul] of the working class and the revolutionaries of the previous generation. This is because the socialist cause was pioneered and made victorious by the leadership of the leader and the self-sacrificing struggle of the revolutionaries of the previous generation, and because the dignity of socialism is connected with their honor.

The contemporary revisionists and betrayers of socialism insulted the leader and the revolutionary seniors, obliterating their achievement and thus leading socialism to deterioration and collapse. The deterioration and collapse of socialism began with the emergence of contemporary revisionists who slandered the leader and revolutionary seniors and who distorted and deteriorated the ideology of the working class. Socialism was derailed by the contemporary revisionists, and thus began to collapse internally. Socialism collapsed due to the reform and restructuring policy of the betrayers of socialism who completely denied and obliterated the historical achievements of socialism.

Opportunists and the betrayers of socialism spoke ill of the leader of the working class, insulted the sacred revolutionary struggle and great revolutionary achievement of the revolutionary seniors, and demolished socialism and revived capitalism. This was a surrender to the pressure of imperialism and a betrayal of the revolution, as well as the meanest antirevolutionary crime and the most immoral betrayal, which abandoned the revolution fidelity and infringed upon basic human morality.

The betrayers of the revolution slandered and insulted the revolutionary seniors by all means and manner, causing ideological disturbance and confusion among the people. They gave the imperialists and reactionaries the excuse to more viciously slander communists and the socialist cause. The betrayers of the revolution seized the leading position in the party and state with a murky scheme, and tried to enhance their popularity and win the people's support by tarnishing the honor of their revolutionary seniors. However, holding the highest position in the party and the state does not make one a leader [chidoja] or earn him the people's support. Power and deception cannot win the people's trust.

In order to become a leader [chidoja] and win the people's trust and support, one should possess dignity and qualification as a leader [chidoja] and should fulfill the responsibility and role of a leader [chidoja]. Above all, a leader [chidoja] should become a people's servant who loves the people and devotes himself to the people.

Love for the people is united in one with respect for the revolutionary seniors. One who loves the people and who is faithful to the people boundlessly respects the revolutionary seniors, who laid down their lives in the struggle for the people; one who despises the people and regards himself as a ruler above the people does not hesitate to be mean and humiliate the revolutionary seniors.

Betrayers of socialism craftily slandered the leaders [suryongdul] of the revolution and the revolutionaries of the previous generation, and tried to strengthen their authority. On the contrary, their attempt only disclosed their color as the betrayers of the revolution and renegades, as well as their inhumane nature. Those who deceive the people and betray the revolution are bound to be abandoned by the people.

Genuine revolutionaries, who struggle for the people and for the victory of the socialist cause, should not forget the revolutionary seniors, but should support, defend, and develop their achievement. This is the way to defend the honor and dignity of the revolutionaries and to lead the revolutionary cause to victory.

2. Keeping Morality and the Sense of Obligation for the Revolutionary Seniors Is the Tradition of Our Revolution and a Lofty Moral Trait of Our Society [subhead]

Under the banner of the chuche idea, our revolution pioneered a unique way to achieve the popular masses' cause for independence. Our revolution broke new ground in building communist morality, and has created and glorified the example of lofty and beautiful morality and the sense of obligation since a long time ago. In our country, the tradition of the communist morality and the sense of obligation was born in the flame of the anti-Japanese revolution, and the tradition has been inherited, developed, and brilliantly embodied through the struggle to build a new society.

Today, the communist moral trait is being further glorified under our country's popular masses-centered socialist system. In our society, the leader [suryong] and the fighters, the party and the people are united in one heart; people love and help each other like a real family, forming one big happy family. The appearance of our society displays the chuche idea's victory in spiritual and moral aspects and shows off the superiority of our style of socialism.

Our people's communist morality and the sense of obligation is displayed very well through the people who boundlessly revere, follow, and sincerely uphold the great leader [widaehan suryong] Comrade Kim Il-sung. Respected and beloved [kyongachanun] Comrade

Kim Il-song was a great leader [widaehan suryong] our people had encountered and upheld for the first time in the 5,000-year history. He was the most great man who embodied the highest level of all traits and qualifications.

The great leader [widaehan suryong] Comrade Kim Il-song, who regarded the people as heaven, boundlessly loved and firmly trusted the people. He suffered all sorts of storms and difficulties throughout his life and devoted his everything only to the liberty and happiness of the people. The proud history of our revolution, the dignity and honor of the socialist Korea, and all happiness enjoyed by our people are connected with the esteemed name of the leader [suryong], and are the brilliant result of the great leadership of the leader [suryong].

As an elder of the world politics, respected and beloved [kyongaehanun] Comrade Kim Il-song gave strength and confidence to the progressive people, who struggle to achieve independence. He made an immortal contribution to the mankind's cause for independence. Respected and beloved [kyongaehanun] Comrade Kim Il-song was our people's great teacher and benevolent father; our people are the great leader's [widaehan suryong] fighters and disciples, as well as the fatherly leader's sons and daughters.

All generations, from the first generation of our revolution to today's new generation, have grown up in the bosom of the leader [suryong], and have glorified their sociopolitical life and led a rewarding life in the hands of the leader [suryong]. Since a long time ago, our people have upheld the respected and beloved [kyongaehanun] Comrade Kim Il-song as a legendary hero, the sun of the nation, a great leader [suryong] and a great father, and have regarded it as the highest honor and the loftiest morality and the sense of obligation to faithfully dedicate their loyalty and filial piety to the fatherly leader.

Our people's loyalty in upholding the great leader [suryong] has been displayed even more after the leader [suryong] left us. All people across the country bade farewell to the fatherly leader in bloody tears and endlessly cherished the memory of the leader [suryong] in unceasing grief.

Our people are yearning for the fatherly leader [oboi suryongnim] all the more strongly as the days and years go by, and they pray for the eternal life of the leader in their purest minds. The world is moved by the boundless loyalty and filial piety of our people, who invariably trust and follow the great leader [widaehan suryongnim] as their spiritual pillar, even after his death, like they did when he was alive.

What was most important to us when we were in the great sorrowful sense of loss following the sudden death of the respected and beloved leader Comrade Kim Il-song was to uphold the leader [suryongnim] as we had done prior to his death and to completely inherit his cause. Our party has concentrated all its efforts on the sacred task of upholding the great leader forever and inheriting and developing the leader's revolutionary ideas and achievements, and has aroused the entire party, all the people, and the entire army to implement it.

We magnificently embellished the Kumsusan Memorial Palace as the highest sacred site of chuche, and cordially keep the respected and beloved Comrade Kim Il-song in the same image as when he was alive. We are also doing everything we can do to add luster to the great name and immortal achievements of the leader. Our party has vigorously organized and mobilized party members and the working people to the struggle to inherit the great leader's ideas and leadership as they are, and to implement the teaching left by the leader.

The leadership of our party, which invariably upholds the great leader and faithfully succeeds to the leader's ideas and achievements, enables our people to deeply bear the faith that the great leader Comrade Kim Il-song is always with us and to harden their adamant revolutionary spirit and will to consummate the chuche revolutionary cause by implementing the leader's behest.

With the firm faith that the great leader's revolutionary cause is invincible as long as our party exists, our people absolutely support and trust the party and struggle vigorously, firmly united around the party. Our people faithfully uphold the party and the leader [suryong] generation after generation, maintaining a steadfast view of the leader. It is our party's great pride to have this prominent people.

Our party and people highly respect the revolutionaries who struggled for the chuche revolutionary cause while upholding the great leader [suryongnim] Comrade Kim Il-song's leadership. The anti-Japanese fighters are the proud first generation of our revolution. They launched the bloody war with arms in their hands, not for their own interests or ambition, but for the days when the people may live happily in the liberated fatherland. The anti-Japanese struggle was a severe and rugged struggle; there has been no such struggle in history. Upholding the great leader [suryong] Comrade Kim Il-song as the center of unity and the center of leadership, the anti-Japanese fighters smashed the Japanese imperialists to accomplish the historic task of liberating the fatherland by displaying their peerless courage and self-sacrificing

spirit in the most grave conditions. They also made a brilliant contribution to preparing the honorable revolutionary tradition of our party.

Our party considers and respects the anti-Japanese fighters as the foremost elders and model revolutionaries, and values their revolutionary spirit and the achievements of their struggle. After presenting the slogan urging the people to produce, study, and live in the same way as that adopted by the anti-Japanese guerrillas, our party encourages all party members and working people to actively follow and learn the revolutionary spirit and traits of the anti-Japanese fighters as shown in their struggle, and to embody them in their work and their lives. Our party is also adding luster to the achievements of the struggle of the anti-Japanese fighters.

Those who participated in the fatherland liberation war are heroic fighters who fought to defend our people's fatherland by inheriting the brilliant anti-Japanese tradition. Our People's Army and people defeated the armed aggression of the U.S. imperialists in a fierce life-and-death struggle that was decisive to the destiny of the country, and have honorably defended freedom and the independence of the fatherland. Our party is very proud of the immortal achievements registered by our soldiers and people in the fatherland liberation war, and is indoctrinating youth and people of the younger generation in the mass heroism and patriotism they displayed.

The heroes, labor innovators, and Chollima movement forerunners during the post-war Chollima great upsurge period are a proud generation that effected a great upsurge in socialist construction by breaking through the difficulties facing our revolution.

By upholding the party's leadership, the heroes, innovators, and forerunners of the Chollima era built our nation as an independent and self-reliant state with self-defense capabilities, doing so in a short span of history by carrying out the arduous struggle for self-reliance when everything was reduced to ashes following the war. Our people set them forth as models of self-reliance.

Our party endlessly glorifies the social and political circumstances of the revolutionary martyrs, patriotic martyrs, and heroic fighters who made brilliant achievements during each period of our revolution, handing down their feats to history forever.

We built excellent revolutionary martyrs' and patriotic martyrs' tombs for the revolutionary martyrs, patriotic martyrs, and heroic fighters. We used their names to name towns, schools, plants, and farms where the revolutionary martyrs, patriotic martyrs, and heroic fighters were born and raised and where they learned, as

well as People's Army units, thus broadly introducing and propagandizing their achievements.

In our country, unsparing love and care are extended to the bereaved children of revolutionary martyrs, patriotic martyrs, and heroic fighters.

At state expense, we built schools for the bereaved children of revolutionaries in many places, educating them to be excellent and capable men. We posted the bereaved sons and daughters of revolutionaries to important positions within the party, the state, and armed forces, and looked after them so they could satisfactorily conduct their work. Our party and people regard this as a deserved morality and sense of obligation to observe before the revolutionary martyrs.

Today, in our country, old revolutionaries, war veterans, disabled soldiers, meritorious men, renowned intellectuals, and men of culture are continually blooming the flower of revolution and enjoying worthwhile and valuable lives amid the party's great love and care and amid social interest and respect.

It is the policy of our party and a noble trait of our society to love, respect, and actively support the revolutionaries and meritorious men who are endlessly loyal to the party, the revolution, the fatherland, and the people.

Our party and people also fairly and impartially appraise historic personnel who left their names in our national history, handing over their feats to future generations.

We have excavated the tomb of Tangun, the founder of Korea, splendidly rebuilding the tomb. We have excellently renovated the tomb of King Tongmyong, the founder of Koguryo, a strong hardline state, and the tomb of Wanggon, the first king of Koryo.

The long history of our nation is more brightly illuminated in the era of the Workers Party. The socialist cause, the cause of the popular masses for independence, is a national cause as well as an international cause.

As genuine internationalists, revolutionaries in Korea respect revolutionaries of all nations, anti-imperialist and antifascist fighters, progressive personages, and revolutionary people of the world regardless of their nations and states, fairly appraising their feats of struggle.

Our party and people respect Marx, Engels, Lenin, and Stalin as leaders of the working class, highly appreciating their exploits. Reflecting the class demands and aspirations of the working class, Marx and Engels, the first leaders of the working class, turned socialism from an idle fancy into a science, thus originating the socialist and communist movements.

Lenin succeeded to and developed Marxism in compliance with the demand of the changed times, and achieved the victory of the socialist October revolution by organizing and mobilizing the working class. Taking over Lenin's cause, Stalin built a young socialist state to be a strong world nation, and defended the socialist fatherland from aggression by the fascists by leading the armed forces and the people.

In their day, Marx, Engels, Lenin, and Stalin represented the aspirations and demands of the exploited working masses, and the cause of socialism was inseparably linked with their names. The fact that imperialists and traitors to the revolution viciously defame the leaders of the working class and abuse their leadership as dictatorships or infringements on human rights only proves that the leaders of the working class were zealous champions of the people's interests, enjoying their trust and support, and that they were steadfast communist revolutionaries who held fast to the revolutionary principle without compromising with the enemies of the revolution.

Our party always fairly assessed the ideological and theoretical achievements of the working class leaders [suryongdul]; adhered to the revolutionary principle of Marxism and Leninism, ignoring all kinds of opportunist distortions; and inherited and developed them in accordance with the interests of the revolution and the demand of reality.

The revolutionary ideology and theory of the working class must be embodied in conformity with the historical environment and the situation of each country. Since conditions and the environment of the revolution are endlessly changing and developing, if the existing theory is regarded in a dogmatic manner, then lines and policies cannot be correctly established and cannot escape twists and turns in revolution and construction.

While adhering to the revolutionary principle of Marxism-Leninism, and based on having correctly analyzed its historic limitation, our party established its guiding ideology and guiding theory, and with this as a weapon, has been carrying out the socialist cause.

The great leader [suryong] Comrade Kim Il-song, in the course of creatively applying Marxism-Leninism to the Korean revolution in his early days, created the *chuche* idea and blazed the trail for the independent development of our revolution. The *chuche* idea is a unique ideology in which developed the revolutionary ideology of the working class in conformity with the new historic environment and the demand of the era. The historic limitation of the preceding theory was overcome through the *chuche* idea, and the revolutionary ideology

and theory of the working class developed into a new higher stage.

Opportunists and socialist betrayers distorted and slandered Marxism-Leninism, defiling the creators. By weakening the revolutionary principles of Marxism-Leninism, modern revisionists distort and degenerate the revolutionary ideology of the working class in accordance with the preference of the imperialists; socialist betrayers babbled that the socialist ideology itself is a mistake, and directly rejected the revolutionary ideology of the working class.

The only ideology that rejects the revolutionary ideology of the working class is bourgeois ideology. The betrayers of the revolution babbled they were conducting reform and restructuring for democracy and economic welfare, gainsaying the revolutionary ideology of the working class. However, reality has clearly laid bare that their theory was nothing but a reactionary theory for destroying socialism and reviving capitalism.

Our people respect not only the working class leaders [suryongdul], but also the revolutionaries and people of all countries who heroically struggled for the socialist cause. We have not forgotten the great revolutionary struggle of the people of various countries who have achieved brilliant achievements in carrying out the socialist cause in the past, and are highly assessing their historic achievements.

Our party and people oppose and denounce all kinds of counterrevolutionary maneuvers and traitorous acts that defame and debase the struggles and achievements of the revolutionary elders who have contributed to the socialist cause. Opportunists and socialist betrayers defiled the honor of the working class leaders [suryongdul] and revolutionary elders, but cannot by any means erase their names and their lofty achievements from history.

Today, socialism is temporarily experiencing twists and turns. However, socialism is alive in the people's minds and is opening a new road of victory. Likewise, the honor and achievements of the working class leaders [suryongdul] and revolutionary elders will eternally amid the people's respect along with the in the socialist movement.

Our party and people treasure the friendship and solidarity with the people of various countries of the world, and have actively supported and encouraged the people struggling for socialism and people struggling for anti-imperialist cause for independence. In party and state relations with socialist countries, and in relations with other friendly countries, we have consistently maintained international principles and revolutionary integrity.

We unchangeably respect the party and state leaders of various countries of the world, as well as prominent figures and friends from political, social, academic, and press circles, with who the great leader [suryong] Comrade Kim Il-song formed friendly relations while conducting foreign relations. In addition, we have not forgotten revolutionary comrade-in-arms and fraternal people who unselfishly helped our people when the revolution was undergoing hardships, and people of all countries who support and encourage our people's just cause.

The people's noble spiritual and moral trait is unthinkable apart from the correct leadership of the party and the leader. In socialist society where comradely unity and cooperation form the basis of social relations, the socioeconomic conditions are provided in which new morality suitable for its nature can be formed and developed.

However, even if the socialist system is established, people's spiritual and moral trait does not automatically reach a sublime level. Even in socialist society, people can only come to have a noble spiritual and moral trait when they enjoy the correct leadership of the party and the leader.

The people's spiritual and moral trait takes after the leader's trait, and follows the party's politics. The great leader and the great party give birth to a great people.

The respected and beloved Comrade Kim Il-song was a great man and the great father of the people who had the most sublime love for mankind and warm love and trust for the people as his natural disposition. Our party is a true motherly party which leads and looks after the people with the politics of love and trust, the politics of benevolence, following the great leader's noble thought and virtue.

Our people's beautiful spiritual and moral trait was formed and developed in the benevolent bosoms of the fatherly leader and the motherly party, and has reached the noble level as we know today.

Thanks to the fatherly leader's great trait and the motherly party's politics of benevolence, our people came to have a noble morality and fidelity with which they devote themselves to society and the collective, and the true communist human relations based on comradely unity, cooperation, love, and trust bloomed in our society.

Our people's spiritual and moral trait clearly demonstrates that our popular mass-centered socialism overwhelms the capitalist world politically, ideologically, spiritually, and morally.

3. Establishing the Moral Ethos of Respecting the Revolutionary Elders and Developing Noble Moral and Dutiful Relations Among People Are Important Tasks for Inheriting and Completing the Socialist Cause. [subhead]

With the advance of the revolution and with the development of society, morality should be continuously developed and completed. Before everything else, the completion of socialism is the completion of man himself, the master of society, and the moral completion shares an important position in the completion of man.

The morality which reaches the highest stage in mankind's moral development is communist morality. The communist morality is collectivist morality based on comradeship and revolutionary fidelity, and it is the most superior morality that conforms with man's nature.

We can only remake people into communist people and complete socialism through the process of overcoming the old moral remnants of people and comprehensively establishing the communist morality in socialist society.

Defending, adhering to, inheriting, and developing the revolutionary tradition made by the preceding generations of the revolution is the revolutionary duty and noble morality and fidelity of the next generations which inherit the revolution.

The revolutionary ideology, revolutionary spirit, noble struggle achievements, and the revolutionary martyrs' experience and their revolutionary trait constitute an important substance which we must inherit and learn from generation to generation.

The revolutionary tradition is the most precious ideological and spiritual asset which enables the revolution to continue its thread of life. Whether the socialist cause advances victoriously generation to generation or gives up halfway with the change of generations depends on how we deal with the revolutionary tradition.

Rejecting the revolutionary tradition is abandoning the revolutionary ideology and revolutionary spirit and giving up the revolutionary struggle, and it leads the revolution to frustration after all. The experience and lesson from the socialist movement show that if one ignores, negates, and obliterates the revolutionary tradition, the working-class party, which boasts of a long history and struggle experience, has to be discolored and destroyed, and even a country with a very long socialist history and strong economic and military power cannot defend socialism.

To unchangeably strengthen and develop the working class party into a revolutionary party, and brilliantly

inherit and complete the socialist cause generation after generation, the revolutionary tradition must be adhered to in party building and party activities and in all sectors of revolution and construction, and correctly embody them.

Our party's revolutionary tradition is a revolutionary tradition of *chuche* achieved by the anti-Japanese revolutionary patriotic forefathers under the leadership of the great leader [suryong] Comrade Kim Il-song. The glorious revolutionary tradition of *chuche* is the historic root of our party, and the eternal cornerstone of our revolution. Defending, adhering to, inheriting, and developing the revolutionary tradition achieved by the revolutionary patriotic forefathers — this is the road to eternally strengthen and develop our party into a revolutionary party of *chuche*, and the road to defend our socialism, and firmly inherit and complete the revolutionary cause of *chuche*.

We must inherit the lofty revolutionary ideology and revolutionary spirit of the revolutionary patriotic forefathers; resolutely adhere to the revolutionary principle and working class principle; and must unyieldingly move along the single road of revolution under any circumstances and condition.

We must work so that the party members and workers can firmly arm themselves with our party's revolutionary tradition and thoroughly embody the tradition so that they can always work and live in a revolutionary way. All the party members and workers must bear in mind being loyal toward the party and leader [suryong] as the revolutionary faith and integrity by following the example of the revolutionary patriotic forefathers, and must work to devotedly struggle for the revolutionary cause of *chuche* by highly upholding the party's leadership.

By doing so, we must elucidate generation after generation the revolutionary tradition of *chuche* provided by the anti-Japanese revolutionary patriotic forefathers and inherited and developed by our party, and must adhere to and elucidate the honor and dignity of a communist revolutionist who all the more treasure the revolutionary principle and revolutionary integrity.

We must strengthen the moral education among party members and workers and establish the communist moral trait throughout the whole society. Since morality is a social norm of behavior which is attentively abided by through conscience, people must have a lofty moral trait and clean conscience in all aspects of work and life so that they can become loyal revolutionaries and true communist human beings toward the party, revolution, fatherland and people; and establish the communist moral trait throughout the whole society.

We must persistently educate and lead the party members and workers so that they can sincerely abide by the communist norm of behavior in all sectors of social relations and social life ranging from loving their parents and brothers and their comrades and taking care of and helping each other to treasuring their group and organization and taking good care of and managing the assets of the state and society, and self-consciously abiding by public morality.

Special attention must be paid to educating the new generations who are the inheritors of the revolution and masters of the future, so that they can be endlessly loyal to the party and revolution. The rise and fall of a country and a nation, and the fate of socialism depend on how to educate and prepare the growing new generations.

By looking at the spiritual and moral trait of the new generations, we can know the future of a country and a nation. Even in socialist society, if the new generations are not correctly educated, they cannot grow up to become the reliable inheritors of revolution, and cannot defend socialism. This is a lesson from history.

The younger generation are in the process of ideological and spiritual evolution, and they have not experienced the trials of the revolutionary struggle and grew up nicely. Therefore, if they don't receive a good education, they can be easily influenced by bad ideology, immorality, and bad way of life.

Currently, the spiritual and moral situation of our country's young generation is very good. Yet, we must by no means be negligent in educating the new generations. We must educate the growing new generations to become magnificent revolutionaries and communist men who all loyally uphold the party and leader [suryong]; be endlessly loyal to the fatherland and people; and who possess a beautiful and sound spiritual and moral character.

Properly educating the next generations is an important duty of the old generations. The most valuable property that the old generations of the revolution should hand over to the future generations is mental and moral property. It is important for the old generations to hand over material assets to the next generations so that they can lead an affluent life. However, what is more important is to hand over noble mental and moral assets to the future generations so that they can firmly carry on the revolution.

We should clearly indoctrinate youths how the first and second generations of the revolution upheld the party and the leader [suryong] during the periods of the arduous anti-Japanese revolutionary struggle, the fatherland liberation war, and the difficult postwar

rehabilitation and socialist construction and how they lived and struggled in the course of breaking through such a arduous revolution. In this way, we should see to it that all youths follow and emulate the infinite loyalty to the party and the leader [suryong] displayed by the first and second generations of the revolution, their devotion to the revolutionary cause, and their indomitable spirit of struggle.

It is important to enhance the role of youth organizations in educating youths. Properly carrying out the indoctrination work to foster youths into successors to the revolution who are politically and ideologically sound and who possess a noble moral trait is precisely the basic duty of the Socialist Working Youth League [SWYL].

The SWYL organizations should vigorously conduct the indoctrination work in conformity with the characteristics of youths so that all youths can grow up to become new revolutionary generations and reliable masters of the future.

To properly educate youths, it is imperative to conduct school education, social education, and home education in a properly combined manner.

All levels of schools, social education organs, and homes should pay deep attention to the education of youths so that all youths can receive an outstanding education wherever and whenever under sound and revolutionary circumstances.

In particular, for youths who are very curious and susceptible, everything they see, hear, and feel greatly influence their emotion and life. Therefore, deep attention should be paid to the indoctrination work conducted through mass means of culture and propaganda, including literature, arts, publications, and the press.

Morality education in socialist society should be conducted in conformity with the inherent character of communist morality and with the demands of developing socialist society. First of all, morality education should be regarded as part of ideological education. Therefore, it should be conducted in close combination with ideological education.

Ideology and morality are closely related with each other. Therefore, apart from ideology, there is no morality. The morality based on the revolutionary ideology of the working class is collectivist morality, communist morality. The morality based on the reactionary bourgeois ideology is extreme individualist morality, reactionary bourgeois morality.

Only when one's ideology is sound can one possess a noble moral trait. Only when ideology becomes conscience and morality can it become sincere and solid.

We should thoroughly and deeply conduct the communist morality education as an important part of the education under the *chuche* idea. We should strengthen education in communist morality based on the strengthening and development of the indoctrination in principles of the *chuche* idea among party members and the working people so that they can firmly establish a *chuche*-oriented, revolutionary view on morality and outstandingly possess a mental and moral trait as *chuche*-type communist revolutionaries.

We should lead people to grow their communist moral trait through their revolutionary organizational life and revolutionary practice. Man is to possess a trait as social human beings in a social collective life and through their collectivist life. The highest form of social collective life is precisely the revolutionary organizational life.

The revolutionary organizational life is an outstanding school which leads men to possess the communist trait by ideologically and morally training and educating them. One of the important factors which have led our people to have a sound, revolutionary mental and moral trait lies in the fact that every man, as a member of a certain political organization, leads an organizational life.

By strengthening the revolutionary organizational life and by more firmly establishing the ethos of leading a voluntary organizational life, we should see to it that men enhance their collectivist spirit, reject all sorts of liberal and unsound trends, and cultivate a noble moral ethos.

Men's conscience, morality, and sense of obligation can be found in and are verified by their practical acts. The old conception of morality and unmoral phenomena (?proceeds) from an old viewpoint. We should see to it that people abide by conscience and a sense of obligation in their routine business and life, reject the old conception of morality and old custom, and establish a new socialist way of life.

It is most effective to conduct morality education in the form of indoctrination to influence people by positive example and by social movement. Waging morality education in the form of indoctrination to influence people by positive example and by social movement is a mighty way which accords with the inherent character of socialist society.

Among our people today, there are many who devote their lives to their revolutionary comrades without hesitation, who do good things for the party, the revolution, society, and the collective regardless of whether other people see or not, and who are leading a sincere life with loyalty and filial piety.

Such people are those who have clean conscience and noble morality and a sense of obligation. They are also the model of human beings of our times.

We should actively encourage the laudable communist custom, which are being exalted today among the people, should propagate it widely, and should vigorously wage a campaign to follow and emulate it. We should also struggle against the old and reactionary morality and way of life which run counter to the communist morality. We should prevent such an old and reactionary morality and way of life from infiltrating into our society.

The work of establishing a new communist morality is carried out amid the struggle against the old and reactionary morality and against all sorts of immorality. The bourgeois morality inspires people into the struggle for existence in which the law of jungle prevails. It also turns people, betraying even human being's primary conscience and sense of obligation, into slaves of money.

In capitalist society in which the bourgeois morality prevails, all sorts of social evils are rampant and a corrupt and morally ruined way of life is widespread. Such phenomena have been further promoted by reactionary rulers.

The imperialists are spreading corrupt bourgeois morality and way of life not only in their own countries, but also in foreign countries. We should enhance vigilance against the ideological and cultural infiltration of the imperialists and should thoroughly smash it. We should be clearly aware of the reactionary and harmful nature of the treacherous acts by the opportunists who have slandered the elders of the revolution and who have insulted communist morality and should thoroughly oppose and reject it.

The more the imperialists and the betrayers of the revolution scheme to slander communists and destroy communist morality, the higher we should demonstrate the revolutionary spirit of communist revolutionaries and their noble communist moral ethos.

The history of our revolution which has advanced along the banner of the *chuche* idea under the great leader Comrade Kim Il-sung's leadership is a glorious history which has been embroidered with revolutionary comrade love and noble morality and a sense of obligation and which has opened the road of victory with the might of the single-hearted unity of revolutionary ranks.

Our party and people will defend and glorify the proud history and tradition of our revolution forever.

Youth, Students Meet on Kim Chong-il Anniversary
SK2512060095 Pyongyang KCNA in English
0527 GMT 25 Dec 95

["Celebration of Youths and Students in Pyongyang" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 25 (KCNA) — A meeting of youths and students in Pyongyang was held here on Sunday on the 4th anniversary of the election of the great leader Comrade Kim Chong-il as the supreme commander of the Korean People's Army.

Present at the meeting were Choe Tae-pok, alternate member of the Political Bureau and secretary of the Central Committee of the Workers' Party of Korea, and youths and students in Pyongyang.

The reporter and speakers at the meeting said that it is the greatest fortune, pride and honor not only for the soldiers of the People's Army but also for the people, youths and students that they have General Kim Chong-il, the most brilliant commander ever in history, in the van of the revolutionary Armed Forces.

Thanks to the wise leadership of the respected supreme commander, our revolutionary Armed Forces successfully carry out their honorable duty as reliable defenders for the party, the leader and socialism, displaying their invincible might as a steel-like single-hearted unit and a matchless Army, they emphasized.

They called for all the officials of the League of Socialist Working Youth of Korea and youths to remain loyal and dutiful to him. They should entrust their destinies entirely to him and devote their youth and lives for him without hesitation.

The reporter and speakers noted that all the youths and students should feel proud that they have him as the supreme commander of their revolutionary Armed Forces and accomplish the *chuche* revolutionary cause down through generations under his leadership, upholding the revolutionary torch given by him and the holy red flag of Mt. Paektu.

Security Officers Pledge Loyalty to Kim Chong-il
SK2512060595 Pyongyang KCNA in English
0531 GMT 25 Dec 95

["Meeting of Public Security Workers" — KCNA headline"]

[FBIS Transcribed Text] Pyongyang December 25 (KCNA) — Officers of the Ministry of Public Security held a meeting to pledge loyalty and an evening dance on December 24 on the occasion of the fourth

anniversary of the election of the great leader Comrade Kim Chong-il as supreme commander of the Korean People's Army.

At the meeting speakers manifested their determination to become a fortress and shield for defending the great leader Comrade Kim Chong-il politically and ideologically and with their lives, and a loyal subject and a filial son and daughter, who goes through fire and water without hesitation for him, having the pride and honour of holding him in high esteem as the supreme commander of the revolutionary Armed Forces.

They vowed to firmly prepare themselves as a life-guard and shock brigadier, who fights for the respected supreme commander, absolutely worshipping and following him in any storm and stress, and to accomplish the revolutionary cause of *chuche* to the end.

The meeting was followed by an evening dance.

The evening dance demonstrated the great exploits of respected General Kim Chong-il, his boundless love for the soldiers and the proud life of the public security workers who remain loyal and dutiful to his idea and leadership.

Cho Myong-nok Speaks at Anniversary Meeting

SK2312110395 *Pyongyang Korean Central
Broadcasting Network in Korean
0702 GMT 23 Dec 95*

["Commemorative report" by Vice Marshal Cho Myong-nok, member of the Central Military Commission of the Workers Party of Korea and director of the Korean People's Army General Political Bureau, at the central report meeting marking the 4th anniversary of the election of Kim Chong-il as supreme commander of the Korean People's Army, held at the 25 April Cultural Center in Pyongyang — live]

[FBIS Translated Text] Comrades: Today, we greet the significant day of the election of the great leader Comrade Kim Chong-il as the supreme commander of the Korean People's Army [KPA], a time when all the officers and men of the People's Army and the people are accelerating a new historic march, upholding the party's leadership.

Four years ago today, we elected the respected and beloved Comrade Kim Chong-il as the KPA supreme commander, reflecting the consistent desire of all the officers and men of the People's Army and the people. This was a historic event of epochal significance in the strengthening and development of our revolutionary armed forces and in the carrying out of the *chuche* revolutionary cause. [applause]

By upholding the great leader Comrade Kim Chong-il as the supreme head of the revolutionary armed forces, the *chuche* army-building cause was able to firmly maintain its lineage, and our revolutionary cause was able to have a more firm military assurance. This is the foremost fortune that our Army and people are blessed with, and a great festive event of special significance in the history of *chuche* army building. [applause]

The great leader Comrade Kim Il-song has taught: Comrade Kim Chong-il has an indomitable will, courage, an excellent spirit, and an excellent gift for commanding the army befitting the supreme commander of the revolutionary armed forces; this is an assurance of the continuous strengthening, development, and victory of our revolutionary armed forces.

As is shown by the historical experience of army building, the revolutionary army must uphold at its supreme head a man of great ability with extraordinary military wisdom and strategy, with unequalled courage, with an excellent gift for commanding the Army, and with noble traits so that it can carry out its mission and role with excellence.

The invincibility of the revolutionary armed forces lies in the greatness of the brilliant commander who commands the entire army. Because our revolutionary army is blessed with the fortune of upholding the leader and the brilliant commander generation after generation, it has been able to achieve only victory and glory along its militant road. [applause]

Because our revolutionary armed forces upheld at its head the great leader Comrade Kim Il-song, the ever-victorious iron-willed brilliant commander, since the first day of their founding, they have trodden the resplendent road of victory. Because they uphold as their supreme commander the great leader Comrade Kim Chong-il, the most brilliant commander in the world, they are unfolding the heyday of their development. [applause]

The respected and beloved supreme commander Comrade Kim Chong-il, who embodies ethos at the most noble level as an outstanding military strategist and iron-like commander, has from the beginning brilliantly solved all problems in building the revolutionary armed forces, wisely leading the cause for building the *chuche* army.

At the outset of this year, our comrade supreme commander, who regards the army as the key force of our revolution, visited the various units of the Army, Navy, and Air Force, encouraging the soldiers to achieve their feats. Following the ninth meeting of KPA agitators, he

also convened the meeting of KPA company commanders and company political functionaries, bringing about a significant turn in strengthening the combat preparation and the reinforcement of the combat capabilities of the People's Army.

Today, without from the respected and beloved general's leadership, we cannot truly talk about the People's Army having been strengthened and developed into a one-is-a-match-for-one-hundred revolutionary armed forces, which is strongly prepared in a political and ideological manner as well as in a militarily and technologically manner, nor can we think of possessing a firm military guarantee in which our socialist cause can be ever-victorious without faltering, even under the rapid change of the trends of history. [applause]

The officers and soldiers of our People's Army and all people have come to warmly and keenly feel from the bottom of their hearts the immortal and great army-building achievements gained by the respected and beloved supreme commander Comrade Kim Chong-il, seeing the proud aspects of our revolutionary armed forces that developed into our invincible combatant ranks.

The immortal achievements gained by the respected and beloved supreme commander Comrade Kim Chong-il in performing the cause of building the chuche army are, first, the fact that he has strengthened and developed our People's Army into the army of the leader [suryong] and the army of the party. [applause]

The respected and beloved general, who regards it as an important issue for army building to clearly define the character of the revolutionary army, has established the system of commanding the army in which we can strengthen the political and indoctrination work of the party within the People's Army and unanimously act according to the order of the supreme commander of the entire army. As a result, he has basically enhanced the political and ideological ethos of our army.

Today, the soldiers of our People's Army are filled with a burning, death-defying resolve to trust in and follow the respected and beloved supreme commander General Kim Chong-il, and to protect and defend the general as the rifles and bombs of wholehearted loyalty and filial duty no matter what fierce wind may blow and no matter how many times the earth may be destroyed.

The chuche system of commanding the army has been thoroughly established inside our army. In addition, dominant in the entire army is the revolutionary military spirit in which one can become a human bomb to destroy the enemy's ships and smash the enemy's bases. In the history of our army, there has never been such

a time as today in which the supreme commander and the soldier masses are harmoniously united with a single mind and intent. This is the greatest achievement gained by the respected and beloved general in performing the cause for building the chuche army. Herein lies the basic source in which our army can be ever-victorious by overcoming any historic challenge and difficulty. [applause]

Truly, the KPA is the army of the party and the revolution, and the army of the respected and beloved Comrade Kim Chong-il. [applause]

The respected and beloved supreme commander General Kim Chong-il wisely led the chuche army-building cause, and has strengthened and developed our People's Army into an invincible and ever-victorious powerful army firmly prepared not only politically and ideologically but also in terms of military technology. [applause]

The respected and beloved comrade supreme commander brilliantly embodied the great leader's chuche army-building ideology and theory, making it bear rich fruit and solidifying our army's militant might into one that is invincible.

In the days when the respected and beloved comrade supreme commander led the cause of imbuing the entire army with the chuche idea, all officers and men were firmly armed with chuche warfare and were brought up to be all-round fighters capable of skillfully carrying out the combat mission entrusted to them under any circumstances.

Under the leadership of the respected and beloved general, the arms and equipment of the People's Army have been further modernized in conformity with the demands of modern warfare and the specific reality of our country so that the combat capability of the units has been extraordinarily strengthened.

Because our party's self-defending military line has been so thoroughly implemented, the People's Army has been strengthened and developed into an invincible combat rank equipped with all the strong offensive and defensive means capable of striking and blocking the enemy's surprise attack in a timely manner. Because all the people are armed and the entire country has been turned into a fortress, the all-people defense system, with the People's Army at its core, has been firmly established.

I can confidently say that today we have achieved a self-reliant national defense that can strike and repel any imperialist aggressor at a stroke, and can dependably defend the security of the socialist fatherland. [applause]

One of the noble achievements made by the respected and beloved supreme commander Comrade Kim Chong-il in the chuche army-building cause is the establishment of the traditional and beautiful virtue of army-people unity that enables the army and people to struggle in wholehearted unity. [applause]

The ties of kinship between the army and people are the decisive factor for victory in war, and how they are solidified and developed depends on the leadership of the brilliant commander who leads the revolutionary army.

The respected and beloved supreme commander Comrade Kim Chong-il has made great efforts since he began to lead the army-building cause at its head, to comprehensively embody the idea of army-people unity created by the great leader. The respected and beloved general put forth the inheritance of the traditional beautiful virtue of army-people unity as the most essential work to adhere to our army's chuche-oriented nature and to strengthen the country's defense capability, and has deepened the work onto a new and higher plane.

Under the leadership of the respected and beloved general, the ethos of the army and the people for loving and helping each other like true blood-relations is highly displayed in our society today, and has become a social fashion.

Our people regard the soldiers of the People's Army, the fighters of the comrade supreme commander, as their own children, and help them as best they can so they can devote themselves to the work of defending the country. The officers and men of the People's Army make unsparing efforts to defend and protect the people's lives and properties.

Army-people relations, which have been further strengthened in our country with each passing day, show that in the course of upholding the respected and beloved comrade supreme commander, our army and people are wholeheartedly united and will never be severed by anything. [applause]

The achievements gained by the great leader [widaehan yongdoja] Comrade Kim Chong-il on the road to brilliantly inheriting the cause of building a chuche army are immortal achievements that could not be achieved by any other brilliant commander in history. In addition, this has become a clear expression of the greatness of the respected and beloved general. [applause]

The respected and beloved Comrade Kim Chong-il, who cultivated the courage of the brilliant commander while hearing the sound of rifles and guns against the Japanese at an early date, and who mastered the wisdom and strategy of the brilliant commander in addition to

the operational post of the supreme command during the fierce days of war, is the most prominent military strategist and outstanding and brilliant commander in modern times. [applause]

The respected and beloved Comrade Kim Chong-il's military wisdom is a far-sighted wisdom that forges plans for victory under any difficult military and political situation. In addition, the general's courage is an iron-like courage that will not falter, no matter how many enemy troops may come to us.

The respected and beloved general's strategy is the extraordinary strategy of genius that turns unfavorable conditions into favorable conditions under any difficult circumstance, always winning victories. The comrade supreme commander's tactics to command the army are extraordinary tactics that make it possible for all officers and soldiers to display their brave vigor as one-is-a-match-for-one-hundred fighters. [applause]

Today, our army and people are repeatedly winning victories in the sharp confrontation with the imperialists. This is due totally to the outstanding and seasoned leadership of the respected and beloved supreme commander Comrade Kim Chong-il. [applause]

Upholding Comrade Kim Chong-il, the most brilliant commander in the world who has perfect literary and military accomplishments and who has won victories in carrying out our revolution, as the supreme commander of the revolutionary armed forces and the leader [yongdoja] of our party and state is the greatest glory and happiness for the officers and soldiers of our People's Army, as well as for our people. [applause]

On this significant place, bearing the unanimous feelings of admiration and the boundless loyalty of all the officers and soldiers of the People's Army as well as of the people, I extend the maximum honor and warmest thanks to Comrade Kim Chong-il, the supreme commander of the KPA and the great leader [widaehan yongdoja] of our party and people, who has strengthened our People's Army by brilliantly inheriting and developing the cause for building the chuche army pioneered by the respected and beloved leader Comrade Kim Il-song and who has made immortal achievements in our revolutionary cause. [applause]

Comrades, today we are assigned with a heavy and honorable task to further the revolutionary armed forces and to achieve the independent reunification of the fatherland and the chuche revolutionary cause in compliance with the demand of the prevailing situation. Under the situation in which the imperialists and reactionaries are persistently maneuvering to stifle [apsal] our Republic,

the fortress of socialism, we should more firmly consolidate the country's defense capability.

As proven by the experience of history, we can firmly safeguard the socialist fatherland and its revolutionary feats only if the country's military capability is strong. Then the victorious advance of the revolutionary cause can be firmly guaranteed. The preferential issue in strengthening the country's defense capability is to consolidate the combatant capability of the People's Army into an invincible one. The People's Army is the basic force of national defense and the core unit of the *chuche*-oriented revolutionary ranks. We should concentrate maximum efforts on the work to strengthen the People's Army, regarding it as the basic problem that determines the destiny of the revolution. In addition, we should persistently carry out the struggle to strongly establish the *chuche* system of commanding the army within the entire army, as well as strengthen the political and ideological might of the People's Army.

The traditional spirit of our revolutionary armed forces is to uphold the respected and beloved comrade supreme commander with conviction and fidelity, having him at the center of unity. The officers and soldiers of the People's Army should absolutely and singleheartedly worship the comrade supreme commander and should become swords, rifles, and bombs that firmly safeguard the general under any circumstances, cherishing deep in their hearts the behest of the fatherly leader who asked the entire army to more properly uphold the respected and beloved supreme commander Comrade Kim Chong-il. [applause]

Bearing the iron faith that we will win as long as we have the respected and beloved [kyongaehanun] general, all soldiers should more firmly establish the revolutionary military morale of thoroughly and exactly implementing the supreme commander's order without deviating an inch, so as to fill themselves with loyal enthusiasm to lay down their lives and fight for the supreme commander of the entire Army. Along with this, they should display the laudable ethos of unity between officers and men, and between the party and the League of the Socialist Working Youth, as well as the soldier-loving spirit, so as to demonstrate the political and ideological superiority of our People's Army.

We should ceaselessly strengthen the military and technological strength of the People's Army. Upholding the slogan "Training is battle," officers of the People's Army should thoroughly implement the party's training policy and be prepared to become omnipotent fighters. All soldiers should be strongly armed with the respected and beloved [kyongaehanun] comrade supreme commander's military ideology and *chuche*-based tac-

tics, possess infallible marksmanship and high military expertise, and do everything possible to strengthen the unit's combat capabilities to cope with any unexpected situation. [applause]

Officers of the People's Army should always bear militant alertness so that any enemy cannot creep into an inch of the sacred land, sea, and sky of our fatherland. [applause]

Officers of the People's Army should responsibly fulfill their duty to defend the fatherland while actively participating in the general battle of the socialist construction to realize the party's intention, and highly display the unbendable spirit and heroic feats of the revolutionary Army.

The single-hearted unity is a glorious tradition of our revolution and an ever-victorious banner. The entire course of our revolution proves that when the leader [yongdoja] is great and when the revolutionary Army and the people unite around the leader [yongdoja] like iron, they will win the revolutionary war as well as the struggle for creation and construction.

As in the past, in the future, too, we should forever live with the ideology of the single-hearted unity, win with the spirit of the single-hearted unity, and overcome difficulties with the strength of the single-hearted unity. All soldiers, officers, and men of the People's Army should more firmly unite around the respected and beloved [kyongaehanun] Supreme Commander Comrade Kim Chong-il, the destiny of our fatherland and revolution and the symbol of all our victories, and should become genuine revolutionary fighters, who share the destiny with the general to the end. [applause]

The harmonious unity between the Army and the people is a firm guarantee for the victory of the revolution. People's Army officers should bear the spirit of devoting service to the fatherland and the people and firmly defend the people's lives and property; the people should establish a social ethos emphasizing the military, and actively and wholeheartedly support the People's Army. [applause]

We should continue to vigorously conduct the movement "Our post is our village; our village is our post," and highly display the laudable ethos of the army-people unity everywhere. Economic construction is an important work to strengthen the country's overall strength, to improve the people's living standard, and to display the superiority and might of our style of socialism. All party members and working people should highly display the revolutionary spirit of self-reliance and fortitude, thoroughly implement the party's revolutionary

economic strategies, be diligent and thrifty, and produce and build more so as to make more prosperous our country, the chuche-based socialist fatherland, where the Kim Il-song nation lives in. [applause]

The reunification of the fatherland is the supreme task of our nation. Following the leadership of the respected and beloved [kyongachanun] general, we will overcome the difficulties that lay ahead of reunification, achieve the cause of the fatherland reunification without fail, and unfailingly realize the lifetime wish of the fatherly leader, who exerted all efforts for the fatherland reunification. [applause]

Today, the internal and external situation surrounding our revolution is very complicated and acute. The U.S. belligerent elements and the South Korean puppet clique conduct northward invasion-simulated war exercise commotions daily, running counter to the trend of the time, thus bringing about a dark cloud of war over the Korean peninsula.

Peace and security of our country is always threatened by the enemy's aggression maneuver. Even today when the Cold War has ended, the U.S. imperialists are still pursuing adventurous military confrontation, adhering obstetely to their hostile policy against the DPRK. Lately, the United States has been making alarming moves against us while spreading rumors of so-called threats by North Korea, which are nonexistent. This is a by-product of the U.S. hostile policy against the DPRK.

Availing themselves of the U.S. military confrontation maneuver, the South Korean puppet clique are all the more indiscreetly running wild. In particular, they are viciously maneuvering to find a way out of the ruinous crisis that followed the secret fund scandal through North-South confrontation and war provocations, intentionally tensing the country's situation.

We can never heedlessly deal with [kyolko musimhi taehalsu opsumyo] the anti-Republic and anti-reunification maneuvers of the U.S. imperialists and the South Korean puppet clique, and we will never tolerate even minor provocations that infringe upon our sovereignty [uriui chajukwonul chimhaechanun sasohan tobal haengwie taehaesodo cholltaero hoyonghaji anulkkosimnida]. [applause] The prevailing situation demands that the officers and men of the People's Army and the people always maintain a high revolutionary vigilance and be in full combat readiness.

Our people value peace, but never beg for peace. We will answer talks with talks, and war with war. This is our steadfast position. If the enemy dares to invoke a new war in this land, our KPA officers, men, and our people will unanimously rise up to completely defeat

the aggressors and defend the chuche socialist fatherland steel-strong to the last. [applause]

Our struggle is arduous, but its future is optimistic, and our victory is certain. We will keep to the last the revolutionary oath we pledged before the sacred red flag, which bears the life of the great leader [widaehan suryong] Comrade Kim Il-song as well as the faith and will of respected and beloved Supreme Commander Comrade Kim Chong-il, and will struggle more stoutly, following the respected and beloved general. [applause]

There is no force in the world which can block the road ahead of our People's Army and our people who are advancing under the extraordinary and seasoned leadership of Comrade Kim Chong-il, an outstanding military strategist, a heavenly great general, and the great leader of our party and people. [applause]

As long as respected and beloved Supreme Commander Comrade Kim Chong-il exists, we have nothing to be afraid of and nothing unable to do, and our army and people will be ever-victorious in the future, too. [applause]

Let us all firmly unite ourselves around the party Central Committee with respected and beloved Comrade Kim Chong-il as the center and more vigorously struggle to achieve the fatherland's reunification and consummate the chuche revolutionary cause. [applause]

Hurrah for the revolutionary idea of Comrade Kim Il-song, the great leader [widaehan suryong] of our party and people! [applause, three cheers]

Hurrah for Comrade Kim Chong-il, supreme commander of the KPA and the great leader [widaehan yongdoja] of our party and people! [applause, three cheers]

Houses Built for Workers in Pyongan Province

*SK2512040695 Pyongyang Korean Central
Broadcasting Network in Korean
1200 GMT 12 Dec 95*

[FBIS Translated Text] In the significant year of the 50th founding anniversary of the Workers Party of Korea, North Pyongan Province spurred its housing construction to provide people with better living conditions. Recently, more than 3,600 houses were completed. Working people who moved into the new houses were deeply moved by the great mercy of our party, and in their boundless gratitude, they pledged to devote themselves to the prosperity of their country and fatherland.

Builders mobilized to construct modern housing in the South Sinuiju district, which is an ambitious plan of our party. They bore the revolutionary faith "What

the party decides, we will do," and highly displayed the revolutionary spirit of self-reliance and fortitude. They completed the construction of 300 apartments and are vigorously waging the struggle with confidence to complete 200 more apartments by the end of the year.

'Doctors Without Borders' Delegation Departs

SK2612102795 *Pyongyang KCNA in English*
0932 GMT 26 Dec 95

[FBIS Transcribed Text] Pyongyang, December 26 (KCNA) — Main members of the cooperative delegation of the Doctor Without Frontier [name as received; correct name is "Medicins sans Frontieres" or "Doctors Without Borders"] left here on December 26 after ending its mission.

It was dispatched by the Doctor Without Frontier for cooperation in flood-hit areas of Korea.

During its stay, the delegation, along with Korean doctors, conducted humanitarian medical activities for the inhabitants of the flood-hit areas in Huichon City, Pakchon County and Unpha County with medicines and medical apparatuses from its organisation.

South Korea

U.S. Official Cited on DPRK Army's Moves

SK2312001895 *Seoul KBS-1 Radio Network*
in Korean 2332 GMT 22 Dec 95

[FBIS Translated Text] The U.S. Defense Department has said: It appears as though the recent unusual moves by the North Korean Army are not geared toward invading the ROK, but are aimed at quelling North Korea's internal disorder, such as food riots.

A U.S. Defense Department official stated that the United States is carefully watching the symptoms of increasing complaints among the North Korean people, and analyzed that North Korea has recently intensified its military training probably to maintain domestic public security.

The official also stated: The open executions of dissident figures have increased in number in the past several months, and thousands of North Korean people have watched them.

Ministry Spokesman on Report on Crew Release

SK2312010295 *Seoul THE KOREA TIMES in English*
23 Dec 95 p 1

[Report by staff reporter Son Kae-yong]

[FBIS Transcribed Text] North Korea will return five crewmen of a detained South Korean fishing boat, along with the remains of three who died during the vessel's

seizure and the nearly seven months in detention, next Tuesday [26 December], a spokesman for the Ministry of National Unification said yesterday.

The eight fishermen of the 101-ton trawler "86 Usong" including skipper Kim Pu-kon, 34, were fired upon and seized by North Korean patrollers May 30 as they were on their way from China to the western port of Inchon. Two of the fishermen, Sim Chae-kyong and Sin Hung-kwang, are believed to have been killed during the seizure while Yi Il-yong died later allegedly due to an illness.

"The five fishermen and the remains of the three sailors will return home via the truce village of Panmunjom at 4 PM [0700 GMT] on Dec. 26. However, North Korea refused to return the fishing vessel," said the spokesman, quoting a North Korean announcement carried by the KOREAN CENTRAL NEWS AGENCY (KCNA) and other North Korean media.

"Though late, we believe that North Korea has taken an appropriate action. However, we cannot but express regrets over the deaths," he said, following an emergency meeting convened to discuss follow-up measures.

The spokesman said that he is not in a position to confirm whether the government is considering offering additional rice aid to North Korea.

"We cannot directly link the sailors' repatriation to additional aid because they are separate matters. We will take steps after authorities grasp the exact picture of the incident from the returned sailors," the spokesman said. Seoul will closely monitor Pyongyang's "attitude," he added.

When asked whether Seoul made secret contacts with Pyongyang prior to the North Korean decision to return the fishermen, the spokesman said, "As far as I know, there have been no such contacts."

According to the KCNA, North Korean authorities decided to send them home to be reunited with their families for the New Year holiday even though they committed "grave crimes."

When South Korea agreed to offer 150,000 tons of rice to North Korea in June, Seoul apparently hoped to secure the repatriation of the detained sailors. However, North Korea was lukewarm, apparently using the sailors as "bargaining cards" in getting more rice aid from Seoul.

With the collapse of government-level dialogue over additional rice aid in Beijing, inter-Korean relations were completely deadlocked.

North Korea is believed to have taken the unusual "peace gesture" in an apparent effort to secure more rice aid from South Korea and Japan.

According to North Korea watchers, Pyongyang's annual rice shortage amounted to 2.5 million tons, far short of demand, and their food shortages have worsened due to last summer's floods which devastated major farmlands.

As Seoul has diplomatically forced its neighbors to refrain from giving large amount of rice aid, Pyongyang had no choice but to clear the way so that Seoul may lift its hardline stance against North Korea.

Without outside aid, North Korea runs the risk of famine next spring, which is expected to deal a fatal blow to the North Korean regime.

North Korea also appears to be creating a favorable atmosphere for the improvement of relations with the United States and Japan, following the successful conclusion of the reactor supply contract with the Korean Peninsula Energy Development Organization (KEDO).

DPRK Sends Prior Notice on Crewmen's Release
SK2412032895 Seoul HANGUK ILBO in Korean
24 Dec 95 p 2

[Report by Yu Sung-u]

[FBIS Translated Text] It was learned on 23 December that prior to its announcement on the return of the Usong crewmen on the morning of 22 December, North Korea send a facsimile to our side notifying this in advance.

Chon Kum-chol, adviser of the External Economic Cooperation Committee, who led the North Korean delegation to the rice talks in Beijing, sent a facsimile to Yi Sok-chae, minister of information and communications and our side's chief delegate to the talks, at around 1000 [0100 GMT] on 23 December. The message read: "A competent organ of ours finished its investigation of the Usong crewmen and has decided to return them, showing its magnanimity." It continued: "Please be notified that we will soon release an announcement on returning them through Panmunjom on 26 December."

In the message, adviser Chon called himself "the head of the North side's delegation to South-North contacts for rice aid," and Minister Yi "the South side's chief delegate," thus indirectly indicating that North Korea has the willingness to resume rice talks in Beijing.

With this regard, the government reportedly once considered issuing a statement to North Korea in the name of Deputy Prime Minister Kwon O-ki. A government authority stated: "The North Korea's message might be considered a feeler thrown out for roundabout expres-

sion of North Korea's view that the Beijing channel still exists. However, as a result of discussions among relevant offices, the government has established the position that it cannot accede to negotiations on additional rice aid at present."

The authority also stated that "it is also possible that North Korea used the Beijing channel merely for working-level notifications," and added: "In order to hold negotiations on additional rice aid, not only the repatriation of the Usong crewmen but also other pending issues concerning the resumption of talks on the Korean peninsula, the suspension of North Korea's denunciation of the South, and the repatriation of Rev. An Sung-un must be resolved."

Crew of Trawler Usong Returns Home From DPRK
SK2612071695 Seoul YONHAP in English
0711 GMT 26 Dec 95

[FBIS Transcribed Text] Panmunjom, South Korea, Dec. 26 (YONHAP) — The crew of the South Korean trawler "Usong," which was captured by North Korean patrol boats on May 30, were returned through the truce village of Panmunjom at 4:00 PM [0700 GMT] Tuesday.

A total of 150 crew members aboard 17 South Korean ships have been captured by North Korea since 1975, but this is the first time that North Korea ever returned the crew.

Of the eight Usong crewmen three were returned dead.

Return of Fishermen Detailed
SK2612085095 Seoul YONHAP in English
0828 GMT 26 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 26 (YONHAP) — The five surviving crewmen of the South Korean trawler Usong 86, which was captured by North Korean patrol boats May 30, were returned to the South through the truce village of Panmunjom at 4:00 pm as scheduled Tuesday.

Cremated bodies of three other crewmen of the trawler who died during the capture or afterward were also returned.

The returning fishermen, including skipper Kim Pukon, 34, crossed the Military Demarcation Line (MDL) through a path between the Military Armistice Commission (MAC) conference room and the UN Command [UNC] duty officer's office inside the Joint Security Area (JSA) of the village.

They were guided to a point two to three meters short of the MDL before being turned over to Lt. Col. Baker

of the UNCMAC, Maj. Choe Pyong-taek of the UNC Security Battalion and liaison officer Yi Chun-ku of the South Korean-side Secretariat of South-North dialogue.

The remains of the three dead crewmen were handed over by three North Koreans, who appeared to be from their nation's Red Cross, to three South Korean Red Cross officials at the MDL.

The South Korean Government had the crew taken from the UN Command at the house of freedom in Panmunjom and allowed them to meet their family members at the forward office of the South-North Dialogue Secretariat outside the JSA.

The remains of the dead crewmen will be laid in the Red Cross hospital downtown Seoul, while surviving crew members will have their health checked there as well.

It was the first time that South Korean fishermen who had been captured by the North were returned through the truce village.

The UN command and the North Korean army held a MAC senior secretaries meeting at 10 am that day to discuss the procedures for the fishermen's repatriation.

Skipper Kim said that his ship was trying to flee after violating the North Korean waters when a North Korean patrol boat opened fire at them, killing two of his men. Another died of an illness in the North, he said.

In a press conference at the Forward Liaison Office of the South-North Dialogue Secretariat, Kim said his ship came to violate the North's territorial waters on May 30 due to "navigational immaturity."

Explaining about the press conference he and his crewmen held in Pyongyang last Sept. 25, in which they denounced Seoul government authorities, Kim said, "We were made by the North to make such remarks in the press meeting."

Asked if there were any physical maltreatment of them by North Korean investigators, the skipper said, "No, there was nothing like beating during the interrogation."

While being held at Harbor Inns in Nampo, he said, the crewmen were questioned one by one in the initial days.

The returning crewmen were allowed to meet their families for about ten minutes at the forward office at Panmunjom before they were taken to the Red Cross hospital in Seoul for physical check-up.

They are expected to be questioned by authorities once the physical examination is over.

Crew Expresses Gratitude to North

SK2612111595 Seoul YONHAP in English
1058 GMT 26 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 26 (YONHAP) — South Korean officials receiving the returning fishermen at the truce village of Panmunjom Tuesday afternoon seemed dumbfounded as the surviving crewmen of Usong-ho 86 made an unconcealed gesture of gratefulness to the North Koreans before crossing the truce line into the South.

Immediately before they reached the truce line after leaving the North's Panmunjom office around 3:58 p.m., the returning fishermen turned around and shouted "Long live Nampo," "Long live Pyongyang" and "Long live Nampo mother."

One of the fishermen said, "Please all the persons in the North who know us be well. We won't forget the indebtedness."

As North Korean cameramen, happy at the expected scene, began to take pictures of it, one of the South Korean officials across the truce line was seen urging the fishermen to come to the South in a hurry.

Asked later by a reporter in the southern sector of Panmunjom if their conduct before crossing was a result of urging by the North, skipper Kim Pu-kon said, "No." "We did it on our own because the North treated us well."

As to the background leading to his ship's seizure by the North, the skipper said at the same press conference that his ship had worked together with its sister ship, Usong-ho 85, before somehow the two came to part.

"In utter poor visibility, we had no idea about direction. Suddenly there appeared before us a vessel. At first, we thought it was No. 85 before we realized it was a North Korean gunboat," he said.

From this moment, he said, his ship tried to run away. "Well, we had to live, after all," Kim said.

"The North Korean boat ordered us to halt as it opened fire at us, but we kept fleeing until we were caught," he said.

An official at the National Unification Ministry opined, "The fishermen seem shaken because they had to suffer the ordeal due to a mistaken radio guidance of them by the Maritime Police and the Navy and because the North treated them well."

A Navy officer said earlier in the day, "We are to be blamed for the erroneous radio guidance of the ship. But, we are puzzled what kept the 15-year veteran

seaman from properly finding a route from China to Inchon."

Effect of Usong Case Analyzed

SK2612030695 Seoul THE KOREA TIMES in English
26 Dec 95 p 2

[By Staff Reporter Son Ki-yong]

[FBIS Transcribed Text] Inter-Korean relations are at a crossroads with North Korea's decision to transfer the detained South Korean sailors from the "86 Usong" fishing boat to the Seoul authorities via the truce village of Panmunjom today.

This is seemingly a humanitarian step. But Seoul officials interpreted it as a "calculated move" to secure more aid from Seoul, Tokyo or the West.

Upon receiving North Korea's announcement it would free the sailors, Seoul's top unification policymakers reluctantly accepted it as an "appropriate" measure while making it clear that "the release of the fishermen is a separate issue from additional aid to the North."

Pyongyang may understand that its release of the South Korean sailors will not fully satisfy Seoul's policymakers who think that it should have taken place several months ago with the completion of a large-scale rice aid.

Therefore, additional Seoul rice aid now depends on whether North Korean strategists will take an additional step to create the atmosphere for the improvement of inter-Korean relations.

In the fruitless rice aid talks in Beijing, Seoul's top delegate Yi Sok-chae told his North Korean counterpart Chon Kum-chol that South Korea would consider additional rice aid only if Pyongyang accepted full government-level dialogue with Seoul at a venue on the Korean peninsula.

North Korea apparently sees the resumption of official dialogue with Seoul as risky partly because Kim Chong-il is not yet safely in the saddle that his father Kim Il-song left him on his death in July last year.

Therefore, North Korean strategists now appear to be weighing, which is the lesser of two evils — official dialogue with Seoul, which will jog Kim Chong-il's hand and food aid or the food crisis which is creating strong dissatisfaction with the current leadership in the North.

Once North Korea offered to officially resume dialogue with Seoul, it would produce a new stage of inter-Korean rapprochement, similar to the one created by

negotiations for an inter-Korean summit last year just before the death of North Korean leader Kim Il-song.

This would open the way for Seoul and other countries to extend a helping hand to the starving North Koreans strapped by chronic rice shortages and devastating floods last summer. Experts here say that North Korea lacks 2.5 million tons of rice needed to feed its people this winter and next spring.

In return, the North Korean leadership would have to risk revealing the affluence of the South to its people, who have little information about South Korea, and even less that is accurate, due to the North's powerful propaganda machine.

In case North Korea refuses to create a standing channel of dialogue with Seoul, the prospects for additional aid are not bright.

Even despite Pyongyang's "magnanimous" decision to free the South Korean sailors, Seoul is still indignant over Pyongyang's prolonged delay in the "reciprocal measure."

It is also still licking the wounds it sustained during the rice aid negotiations in Beijing.

Seoul tried to create a standing channel of government-level dialogue by offering 150,000 tons of rice to North Korea. As Pyongyang refused to agree on this, the Kim Yong-sam administration was harshly criticized at home.

If it continues to reject more rice aid it might be subject to criticism from the international community because, so far, it has indirectly dissuaded allies like Japan from offering additional aid.

Meanwhile, the North Korean leadership may face challenges from alienated groups who may create "riots" because of hunger.

Western media observers predict contingencies on the Korean peninsula resulting from the North Korean food crisis, judging that North Korean leaders may ignite a war of aggression to divert their people's attention from their internal problems to those outside.

However, observers here said that this is not likely, partly because North Korea has no allies who would be willing to intervene in an armed conflict to help it and partly because the North Korean leadership knows it would only be contributing to its own demise. Other variables which have so far affected inter-Korean relations include sudden policy changes by the leadership of both Koreas.

Papers React to Return of Crew

SK2412234195

[FBIS Editorial Report] The following is a compilation of editorials and articles published in ROK vernacular dailies on 23 December reacting to North Korea's issuance of a KOREAN CENTRAL NEWS AGENCY Information on 22 December stating that the crewmen of the ship, 86 Usong, would be returned on 26 December via Panmunjom.

CHOSON ILBO carries on page 3 a 1,200-word article by reporter Kim Yon-kwang on the announcement to return the Usong's crew. The article starts off by pointing out the government's analysis which says "it is a measure to accelerate improved relations with the United States and Japan with the expression of good faith in improving South-North relations." Noting that work to improve U.S.- DPRK relations is progressing comparatively smoothly in accordance with the Geneva agreement, the article views that the North is trying to "eliminate the largest stumbling block in improving U.S.- DPRK relations." The article continues to note that the North's decision to return the crewmen is also an "appeasement gesture" necessary to "obtaining more rice from international society" to deal with its food shortage. It then gives our government's view regarding this matter in which the prevailing view is that "the return of the crewmen must be regarded as a breakthrough in improving South-North relations." In conclusion, noting that the "U.S.-DPRK, Japan-DPRK relations are progressing more rapidly without regard for our intention," it urges the government to take active measures in its policy on the North, and notes how the government is closely observing North Korea's next move.

CHOSON ILBO also carries on page 3 a 600-word editorial entitled "The Return of the Usong's Crew." The editorial starts off by "welcoming" North Korea's decision to return the Usong crew. The editorial notes that "the North did not gain anything in seizing the Usong crewmen, and only received international criticism." The editorial notes that a "device" must be made so that civilian-level matters must not be used politically, and humanitarian matters must be solved in a humanitarian way. The editorial concludes by hoping that other people kidnapped to the North can be released, so that a flexible atmosphere between the South and North can be achieved, thus, move toward reunification.

KYONGHYANG SINMUN carries on page 3 an 1,200 word article by reporter Yi Tae-kun on "the significance of North Korea's return of the Usong's crew." The article starts off by saying that the North's decision to return the Usong crewmen was "unexpected," and

that such a decision is not a "sign to improve South-North relations," but a "negotiating card" toward the United States to free itself from its economic crisis and international isolation. The editorial then elaborates on the North's efforts to improve relations with the United States and Japan, and notes that North Korea is using the "return of the Usong crewmen as its card" as an "appeasement gesture" toward the United States. It notes that the return of the Usong crewmen will not likely bring about a "direct change in South-North relations and a turning point in its strategy to exclude the South." The article notes that the possibility of "behind-the-scene" negotiations that might have taken place cannot be eliminated when considering the current situation. In conclusion, the article notes that attention is being focused on future measures regarding the North.

KYONGHYANG SINMUN also carries on page 3 a 600-word editorial entitled "Reverend An Must Also Be Returned." The editorial starts off by saying that it "welcomes" the decision by North Korea to return the Usong crewmen. The editorial notes that "now is truly the appropriate time to change the basic framework of South-North relations to the framework of dialogue and cooperation." It then notes the importance of the conclusion of the light-water reactor [LWR] agreement between the Korean Peninsula Energy Development Organization and North Korea, and the inevitability for South-North cooperation for the construction of the LWR, and urges that North Korea should "show a more reconciliatory attitude." In this regard, the editorial also notes that if the return of the Usong crewmen is "a manifestation of national reconciliation and peace-loving position," the same measures must be taken toward Reverend An. The editorial concludes by hoping that the return of the Usong crewmen is not merely a "temporary gesture," but an "opportunity to open the road for national reconciliation."

The moderate HANGUK ILBO carries on page 3 an 800-word editorial entitled "The Return of the Usong Crew." The editorial welcomes the North Korean decision to return the 86 Usong crew, and criticizes North Korea's attempts to use the issue of the 86 Usong for political purposes, noting: "There are a few reasons for North Korea's decision to return the crew. For one, Pyongyang decided that detaining the crew is no longer to its advantage, and thus decided to return the crew with the approach of Christmas and the New Year in order to display a peaceful and humanitarian gesture to the United States and Japan." The editorial notes North Korea probably calculates that the release of the crew will induce the ROK to become more active in its economic assistance to the North and to provide the North with additional rice aid and other daily necessities

so as to ease its food shortage and repair its flood damage.

HANGUK ILBO also carries on page 7 a 900-word article by reporter Yu Sung-u entitled "The Background of North's Returning Usong Crew." The article notes that North Korea decided remove an obstacle to its efforts to improve relations with the United States and Japan, noting: "By disclosing the decision to return the Usong and its crew shortly before the announcement of the establishment of the liaison offices between North Korea and the United States, North Korea is attempting to publicize to the world that it has taken a reconciliatory step toward the ROK." The article maintains that the crew's return is not the removal of the entire obstacle to the resumption of rice talks, and that for the ROK to give the North additional rice aid, other conditions should be met, such as the venue for dialogue to be held on the Korean peninsula, the status of Panmunjom, and the upgrading of the rice talks to a dialogue between authorities.

The pro-government SEOUL SINMUN carries on page 3 an 800-word article by reporter Ku Pon-yong entitled "The Return of the Usong Crew — The North May Be Trying To Create an Atmosphere for Receiving More Rice Aid." The article notes that North Korea virtually promised the return of the Usong crew during the rice talks held in Beijing in June, then in September moved toward a hardline stance, announcing that "the ship's crew will be dealt with according to the law of the Republic" and leading observers to speculate that the issue was causing conflict between hardliners and moderates in the North. The article notes: "The hardliners in North Korea may have decided that detaining the crew is no longer to their practical advantage." The article also observes: "Some interpret the North's decision to return the crew as an indirect call for help to the ROK aimed at receiving rice aid from the ROK in order to relieve itself of the worst food shortage ever."

SEOUL SINMUN also carries on page 3 an editorial entitled "We Welcome the Return of the Usong Crew." The editorial notes: "The step taken by North Korea is a signal by the North Korean authorities to initiate approaches in order to solve the problems of inter-Korean relations as well as a claimed display of compatriotic love on the part of Pyongyang." The editorial concludes: "Everything is now up to North Korea. North Korea should be aware that the improvement of inter-Korean relations is a precondition to our assistance and cooperation which North Korea needs to solve such problems as its food shortage, the issue of the light-water reactors, and North Korea's improvement of relations with the United States and Japan."

The moderate CHUNGANG ILBO carries on page 2 a 600-word article by reporter Choe Won-ki entitled "The Reason Why the North Returns Usong Crew — A Limited Gesture of Appeasement Aimed at Calming the Reported Threat From the North To Prevent the ROK from Opposing Food Aid from the United States and Japan." The article begins: "Underlying North Korea's gesture of appeasement to the ROK is the North's pressing food shortage and its attempt to calm the reported military threat from the North." The article observes that "in order to receive additional rice aid from outside, North Korea needs ROK approval," then notes: "Pyongyang may be pacifying Seoul by returning the Usong crew in order to receive rice aid from Japan and the United States." The article notes that the return of the crew may be a signal aimed at improving Seoul-Pyongyang relations, however limitedly, and concludes: "The North announced the return of the crew through a news report on an international broadcast, and it did not specify by which organization the announcement was made. This means North Korea intends to maintain inter-Korean relations at a very low level."

CHUNGANG ILBO also carries on page 3 a 600-word editorial entitled "The Return of Usong Crew — Will It Be a Turning Point?" The editorial notes: "By returning the Usong crew, North Korea will loudly advertise both at home and abroad that it engaged in a humanitarian act toward the ROK and will try to sound out the possibility of additional rice aid from the ROK." The editorial then notes the ROK's precondition for the resumption of the rice talks, namely that the talks between the authorities should be held on the Korean peninsula, noting: "The North may not accede to our demand for talks between the authorities. Even if North Korea accepts our condition, additional rice aid from our government will be possible only when the people's resentment resulting from the rice issue calms down. In order to create such a situation, North Korea should make efforts to alleviate tensions, such as stopping its vilifications against the ROK." The editorial urges the government not to give the impression that the ROK is preventing other countries from providing humanitarian food aid or restraining civic groups from making humanitarian aid to North Korea, adding: "It is proper for us to resolve the inter-Korean issues step by step through such small efforts."

MUNHWA ILBO on 23 December carries on page 3 an 800-word editorial entitled "The Return of Usong and the North Korean Approach to the United States." The editorial notes that North Korea decided to return the Usong crewmen because North Korea thought it useless to detain the crewmen any longer and because it thought a peace gesture to the United States and Japan

would be necessary for the establishment of liaison offices and the establishment of diplomatic relations. The editorial also notes North Korea may want the South to assist the North with rice and other daily necessities following the flood damage. The editorial says: "With the North Korean action to return the crewmen, we hope that the North Korean authorities will change their unrealistic line of ignoring the South side and implement the North Korean-U.S. Geneva accord in October 1994 on the resumption of the inter-Korean dialogue," and urges the North to return Rev. An Sung-un and some 480 South Korean figures whom North Korea abducted to the North after the armistice. The editorial concludes by stating, "We have no reason to oppose the improvement of North Korean-U.S. relations. However, we would like to call attention to the fact that rapid rapprochement between the United States and North Korea under circumstances in which South Korea is alienated continuously is far from desirable for the establishment of peace on the Korean peninsula."

MUNHWA ILBO on 23 December carries on page 5 an 800-word article by reporter Ho Min entitled "The Return of Usong—How Will It Affect Inter-Korean Relations?" The editorial notes that the North Korean decision to return the Usong crewmen could be an expression of its willingness to improve inter-Korean relations and a tactic aimed at removing an obstacle to its 'rice diplomacy' to solve the food shortage. The article, however, observes, "But there are no signs that North Korea has changed its strategy. The general reasons for the lack of North Korean preparedness for the improvement of inter-Korean relations are the North Korean military moves, such as the forward deployment of its fighters and the intensification of military training although it could be aimed at checking North Korea's internal unrest, and the continuous criticism and vilification of our government."

TONG-A ILBO on 24 December carries on page 3 an 800-word editorial entitled "After North Korea Returns Usong." The editorial notes that North Korea decided to return the crewmen because the North's detention of the crewmen is not beneficial to North Korea, and observes, "Despite the severe food shortage as a result of the major flooding last summer, the international community was indifferent to the call for aid to North Korea because of the North's bellicose impression. Therefore, North Korea may use the return of the Usong crewmen for its peace propaganda offensive." The editorial notes that North Korea may sound out the South's willingness to give the North additional rice aid and that North Korea will try to solidify the Kim Chong-il system

by improving relations with the United States and Japan. The editorial then observes, "It is proper that the government should have held a meeting of unification-related ministers immediately after the North Korean announcement of the return of the crewmen and decided to deal with the return of crewmen and the additional rice aid as separate matters. We need not hurry in dealing with the issue of inter-Korean relations. In particular, the additional rice aid should only be made with national consensus."

MAEIL KYONGJE SINMUN on 24 December carries on page 3 an 800-word editorial entitled "The Return of the Usong Crewmen." The editorial notes the background of the North Korean decision to return the crewmen, such as the North Korean need to improve relations with the United States and Japan, and observes, "If North Korea really deserves to mention compatriotic love and reconciliation, it should take tangible steps to return not only the Usong crew, but all of the many South Korean compatriots, including Rev. An Sung-un and Ko Sang-ton, whom it abducted and has been detaining."

DPRK Announcement Analyzed

SK2412023695 Seoul THE KOREA HERALD
in English 24 Dec 95 p 2

["News analysis" by staff reporter Pae Un-chu]

[FBIS Transcribed Text] North Korea's sudden announcement to return the South Korean fishermen Friday is raising questions about this unexpected gesture of goodwill toward the South.

South Korean Government officials said that North Korea's plan to release the crew of the South Korean fishing boat, which has been detained in the North for nearly seven months, on Tuesday reflects the seriousness of its food shortages.

Through the return of the South Korean fishermen of "Usong 86," the North Korean Government is seeking to acquire more rice aid from the South as well as from other nations, they said.

Reportedly, North Korea has a shortage of 2.6 million tons of food grains annually. The floods which swept across the nation last summer aggravated the North's food shortages, government officials said.

They said that the Stalinist Communist country decided to return the captured crewmen right before the holiday season in order to appease South Koreans, who have been displeased with the South Korean Government's earlier decision to send rice aid to the North.

Tension was heightened on the Korean peninsula when North Korea forced a South Korean freighter carrying the first batch of emergency rice to hoist a North Korean flag last June. Later, it captured another South Korean delivery boat on charges of reconnaissance when a crewman took pictures of the North Korean port.

Despite North Korea's decision to return the fishermen, it seems uncertain whether the South Korean Government will provide North Korea with additional rice aid, including relief aid for flood victims.

Following the North Korean announcement Friday, the Ministry of National Unification called North Korea's return of the crewmen "belated" and said that provision of additional rice aid to the North is a separate issue.

As a matter of fact, government officials said, the reclusive Stalinist nation is trying to obtain further relief aid from Japan and the United States by assuaging angry South Koreans, who have strongly demanded both nations to delay rice aid to North Korea until there is an improvement in inter-Korea relations.

Only a few answered North Korea's call to the world for help to the flood victims.

So far, North Korea has only collected relief aid amounting to \$22 million, which makes up 1/10 of the cost of 150,000 tons of rice South Korea supplied to the North.

North Korea may have found that it needs to improve ties with the South albeit to a limited extent, if it is to improve ties with the United States.

South Korean officials said that North Korea intends to improve ties with the United States through the recent nuclear agreement on the provision of light-water reactors between North Korea and the Korean Peninsula Energy Development Organization (KEDO).

North Korea also plans to exchange diplomatic liaison offices with the United States soon, they said.

South Korean officials said it is too early to say the return of the crewmen will herald the easing of North Korea's hostilities against the South.

"North Korea's plan to release the South Korean fishermen does not mean that it has proposed an inter-Korea dialogue," an official at the Ministry of National Unification said. "We will have to wait and see if the return of the crew will be a turning point in overall inter-Korea relations."

South Korea's provision of additional rice aid to North Korea will depend on a change in Pyongyang's attitude toward Seoul, he added.

However, South Korean Government officials said that they should use this occasion to ease tension in inter-Korea relations.

They said that South Korea is expected to enhance its effort to improve relations with the North in the wake of the appointment of the new minister of national unification.

Deputy Prime Minister Kwon O-ki, concurrently minister of national unification, said in his inauguration speech Dec. 21 that the South Korean Government should try to relieve North Korean "brethren" of their economic difficulties.

Kwon also said that South Koreans need to pay more concern to North Korean civilians.

Daily on Decision To Return Crew

*SK2412105495 Seoul TONG-A ILBO in Korean
23 Dec 95 p 3*

[Article by Han Ki-hung: "Background and Prospect for North Korea's Return of 86 Usong Crewmen"]

[FBIS Summary] It is likely North Korea's decision to return the crew of the 86 Usong to the ROK will positively contribute to improving North-South relations. The ROK Government has called on North Korea to repatriate the crew, putting this forward as a precondition for improving North-South relations. In this respect, their release is very significant.

During the talks held between the North and South Korean authorities in Beijing from June to late-September, the government demanded North Korea repatriate the 86 Usong crew, that it stop slandering the ROK, and that it hold talks between relevant authorities on the Korean peninsula. Therefore, the government put forward these demands as preconditions for additional supplies of rice to North Korea.

North Korea has shown the minimum sincerity to such proposals by returning the crew to the ROK. What is the background of North Korea deciding to return them to the ROK at this time?

A relevant official of the National Unification Board stated: "Because North Korea can neither overcome its food shortage nor restore its flood damage without ROK cooperation, it is likely to show signs of reconciliation toward the ROK." North Korea has asked the UN and international relief organizations to provide relief material, referring to the considerable flood damage that occurred this summer. However, according to data provided by the National Unification Board, the international community can only provide North Korea with food and pharmaceuticals worth \$30.1 million. In

addition, North Korea's grain production has further decreased this year due to the flooding. Thus, North Korea is likely aware it will not overcome its crisis situation, which may lead to the collapse of its system, if there is no help from the ROK.

Under the current situation in which people at home and abroad are very concerned about the recent movements of the North Korean army, such steps by North Korea as the release of the crew can be regarded as optimistic for North-South relations, though we are not yet certain if this will serve as an occasion for improving South-North relations.

Evidence of Economic Crisis in North Reported

SK2112120895 Seoul KBS-1 Television Network in Korean 1246 GMT 18 Dec 95

[FBIS Translated Text] It appears North Korea's economic crisis has reached a dangerous stage. A video of Najin's port and streets obtained by KBS shows the chimneys on the roofs of houses and factories emitting no smoke despite the cold weather; the visage of shrunken people makes us feel danger, like on the night before a hurricane. Correspondent Pak Tae-sok reports from Hunchun.

[Pak Tae-sok] This is Hunchun, the so-called triangulation point along the Tuman River where the borders of North Korea, the PRC, and Russia meet. Hunchun has a population of about 100,000; the number of ethnic Koreans city totals 60 percent. Koreans living in Hunchun can easily visit Najin, the only open area in North Korea. Those who want to go to Najin have to cross the Wonjong Bridge in (Kona). Najin is about 140 km from the bridge, located at the northern end of North Hamgyong Province. It is a heaven-blessed port.

However, neither ships or people move due to some kind of trouble. The old cranes appear to be little used, and the idle ships were mobilized earlier this month. A ceremony to launch the cargo ship Yonyong No. 4, which came from Yanbian and was headed for Pusan, was held at Najin on 10 December. A placard indicating the ship's destination was originally hung on the ship, but the North Korean authorities pulled it off before the ceremony began.

The streets of Najin, which is under the direct control of North Korea's central government, are also silent. Only slogans, such as hurrahs for Kim Il-song and the Workers Party of Korea, exist on streets where not even a single automobile is seen. This is an oil refinery located on the outskirts of Najin. A slogan urging more production is seen on the wall of the plant, but its chimneys are chilled.

On the way back to the PRC passing over the Tuman River, we saw North Korean vehicles coming from the PRC with get food, sugar, and other supplies.

Religious Groups Launch Drive To Aid North

SK2212102795 Seoul YONHAP in English 0916 GMT 22 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 22 (YONHAP) — All major religious denominations and organizations of Korea on Friday said they were launching a joint public drive to help relieve flood victims in North Korea.

A statement signed by Stephen Cardinal Kim Su-hwan and 32 others representing the six major religions and leading religious organizations appealed on the people to extend a warm helping hand to the North Korean brethren who it said are suffering seriously due to the "worst flood in 100 years."

The denominations joining the campaign were Protestantism, Buddhist Chogye Order, Won Buddhism, Confucianism, Chondokyo and Catholicism.

The manifesto also urged the North Korean authorities to trust and accept in an open mind the southern brethren's love and good intention, and the South Korean authorities to faithfully back up private-level relief programs based on brotherly love.

Government 'Not Considering' Additional Rice Aid

SK2412022595 Seoul CHOSON ILBO in Korean 24 Dec 95 p 2

[Report by Kim Yon-kwang]

[FBIS Translated Text] An ROK Government official said on 23 December that the government is not considering additional rice aid to North Korea, in connection with the return of Usong crewmen.

The government held an emergency meeting presided over by Kwon O-ki, minister of the National Unification Board, on the afternoon of 22 December when North Korean notified the government of the return of the Usong crewmen, and reportedly came to the decision not to consider additional aid.

The official said: "At the third round of talks held in Beijing in September, the government presented four conditions for additional rice aid and relief goods for flood victims: the return of the Usong crewmen, the holding of inter-Korean talks somewhere on the Korean peninsula, an official request from North Korea, and the suspension of broadcast slandering the South. These conditions are still in effect."

The official added: "It is a positive sign that North Korea kept its promise made at the second round of Beijing talks and decided to return the *Usong* crewmen. However, North Korea has to fulfill other conditions, including an official request and the suspension of slanderous broadcast, in order to receive additional government-level aid."

IFANS on DPRK Food Shortage in 1996

SK2412081095 Seoul YONHAP in English
0804 GMT 24 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 24 (YONHAP) — North Korea's food shortage is estimated to reach about 3.5 million tons next year and Pyongyang may face the worst-ever shortage of food around June or July, a report of the Institute of Foreign Affairs and National Security (IFANS) expected Sunday.

The report titled "Prospect on the International Situation in 1996" said, "If North Korea could not solve its food problem, it is likely that some North Korean people may deviate from the strict social system and that many of them may escape from the isolated country to neighboring countries like China."

The IFANS is an institute affiliated with the Foreign Ministry.

The North Korean authorities, the report added, may try to relieve the food shortage problem by allowing the people, if not officially, to cultivate their own small private land near their houses.

"Overlooking the private farm land could result in ultimate change of the North Korean society," the report said.

Meanwhile, a civilian group here urged the government to study more actively a policy to send more rice to North Korea.

So Pyong-ha, deputy secretary general of the headquarters to send rice to North Korea, said, "I met with Chon Kum-chol, vice chairman of North Korea's Committee for the Peaceful Reunification of Fatherland, in Beijing last June and promised him that we will send 10,000 tons of rice to the North. As North Korea showed change of its attitude by announcing their decision to return the crew of the captured South Korean trawler *"Usong"*, the government should positively study a policy to send more rice to the communist country."

'Help' for North Korean Flood Victims Urged

SK2612050595 Seoul HANGYORE SINMUN
in Korean 26 Dec 95 p 3

[Editorial: "Let Us Rise To 'Help North Korean Flood Victims'"]

[FBIS Translated Text] Interpretations of recent "abnormal movements" by the North Korean army varies at home and abroad. Reports on burdens in our early warning system caused by the advance deployment of many North Korean fighters near the DMZ were put forward one after another. As a result, "the crisis theory" was abruptly raised. The Agency for National Security Planning warned that North Korea may commit a provocation at any time to rid itself of the serious food shortage it is now suffering. In addition, prompted by interpretations by U.S. and Japanese sources, the crisis theory has strayed far from the reality.

However, from the objective point of view, views about North Korea's military threat can hardly be admitted. The assertion that the military threat is increasing despite serious shortages of food and energy is feasible only on the assumption that the North Korean leadership is abnormal, its normal judgment being paralyzed. This assertion also runs counter to the overall trend in which North Korea has recently satisfactorily settled the light-water reactor agreement with the Korean Peninsula Energy Development Organization after long-pending negotiations. In view of this, an analysis by U.S. Department of Defense officials seems convincing when it states the "abnormal movements" by North Korea's army are aimed at preventing the wavering of its own system.

Judging from domestic and foreign reports on North Korea's flood damage and food shortages, the situation appears to be truly serious. The reports unanimously point out that 150,000 tons of rice sent by the ROK, 500,000 tons of rice offered by Japan, and another amount of rice imported from foreign nations is still exceedingly short for North Koreans to survive the winter. Nevertheless, the government has not only ignored additional rice support on the pretext of "popular sentiments," but has assumed a stance of displeasure over civilian-channel aid and foreign relief movements. We consider it a short-sighted policy. Those who must directly suffer from food shortages are the very powerless and poor North Korean compatriots. The farther food shortage increases and the more the system wavers, the more influence the hardline military leaders will exercise. This situation will result in undesirable North-South relations.

Timed to coincide with reports on the North Korean situation, Cardinal Kim Su-hwan and 32 religious lead-

ers from six religious groups—including Catholic, Buddhism, Christian, Wonbul Buddhism, Chondoism, and Confucianism—appealed for a pannational "movement to help North Korean flood victims." We deem it a fortunate and timely appeal. We should see to it the people participate in this movement and make efforts to help their North Korean brothers so they feel warm compatriotic feelings for ROK people during upcoming cold winter. At the same time, we call on the government to map out an effective support policy at an early date. For us to bring about fruition of such humanitarian efforts, the North Korean authorities' attitude of opening up will also be necessary.

Daily on Offering Farming Technology to DPRK

SK2612072295 Seoul CHOSON ILBO in Korean
26 Dec 95 p 3

[Editorial: "'Farming Technology' Instead of 'Rice'"]

[FBIS Translated Text] North Korea's food shortages have touched off a sense of crisis. Reports have noted that an exodus of residents may occur due to North Korea's food shortage crisis that will be the worst in its history during next year's spring lean season, and that the food shortage crisis may trigger a military provocation. This being the situation, the government, even while officially stating that it has no plan to resume rice support to North Korea, is reportedly working to map out various measures. It has also been reported that the United States and Japan are paying close attention to North Korean movements with regard to food shortages. Thus, North Korea's food shortages have now become a security-level task.

The influential U.S. papers emphasize that there should be no reluctance to respond to North Korea's request for food aid with a view to resolving such a crisis. In the ROK and Japan, small-scale support by civilian organizations, including religious groups, continued their support to North Korea even after official food support was terminated. However, we cannot basically resolve North Korea's food shortages merely with food aid nor can we remove the crisis caused by food shortages. This is because the food coming from outside would serve merely as an injection of nutrition. According to a report, a few days ago, a boat carrying 10,000 eggs and 25,000 apples for starving North Korean children departed Nihigata, Japan. However, this level of support will enable only 10,000 to 20,000 children to appease their hunger for a few hours.

This being the case, basic measures should be mapped out expeditiously in a bid to resolve North Korea's food shortages. The measures should begin with North Korea seeking effective methods on its own. If today's

food shortages are caused by the failure of the so-called "chuche agricultural method," North Korea should make a bold decision to reform it. There is also a need for North Korea to strive for a "self-supporting food supply" by reorganizing its industrial structure. The North Korean rulers should realize that the fact that food shortages that become more serious each year would finally result in the collapse of their system is more serious than damaging their image with a change in their guidance line.

Instead of being engrossed with begging for food from outside, North Korea should seek to introduce farming technology, including the development of the high-yield varieties of grains, an increase in fertilizer production, and improvement in irrigation systems. At the same time, we, who have a sense of crisis concerning North Korea's food shortages, should not merely seek a solution to food shortages through rice support but should offer our farming technology, which has been assessed as successful, in order to help North Korea increase its grain production. Even if North Korea rejects this as a "Trojan horse," we should strive to make North Korea understand that this assertion is untrue.

Japan: No Immediate Plan for More Aid to North

SK2612094795 Seoul YONHAP in English
0921 GMT 26 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 26 (YONHAP) — Japan reaffirmed Tuesday that it has neither any immediate plans to supply additional rice aid to North Korea nor to resume normalization talks with Pyongyang.

"Japan has not initiated moves recently to proceed with additional rice aid to the North and resume normalization talks," Asia-Pacific Affairs Bureau Director General Kim Ha-chung quoted his Japanese counterpart Ryoto Kato as saying.

Kim was briefing reporters on the outcome of the annual meeting of directors-general in charge of the Asia-Pacific region at both countries' Foreign Ministries.

Kato promised that Tokyo would closely cooperate with Seoul in pushing ahead with measures on those sensitive issues, according to Kim.

The Japanese director-general also reiterated that improvement of inter-Korean relations is essential for Japan to proceed with provision of additional rice aid to the North and resumption of normalization talks.

The two sides agreed that they come up with measures to support a joint history study group by the time Japanese Foreign Minister Yohei Kono visits Seoul early next year, Kim said.

The study group, which was agreed upon at a meeting between Foreign Minister Kong No-myong and Kono last month, will consist of historians, experts in international politics and relations between Korea and Japan, and journalists, said Kim.

He added, however, that the two sides have yet to decide on what kind of form the group will take.

Kim and Kato both agreed that their two countries provide financial assistance to Moscow so that the Sakhalin government can conduct surveys to determine how many ethnic Koreans residing on the island want to return to South Korea.

Seoul will submit to Tokyo a list of declassification on the Korea-Japan normalization talks of 1965, with Japan to examine the list before agreeing on declassification in order to avoid possible diplomatic conflicts, Kim said.

South Korea urged Japan to make efforts to persuade Korean organizations on the so-called "comfort women" on Japan's civilian fund for such women.

During the talks, Seoul also demanded that Tokyo eventually abolish its regulations which force Koreans living in Japan to obtain reentry permits, may seek deportation of ethnic Koreans and oblige foreigners to carry alien registration cards.

Japan responded that it will manage those regulations in a flexible manner.

Noting that local governments in Japan employed 51 ethnic Koreans this year, Seoul requested that Tokyo make efforts to increase the number of ethnic Koreans employed in such governments.

South Korea also demanded that ethnic Koreans living in Japan should be entitled to the same compensation as regular Japanese citizens for injuries sustained during the second World War.

Kato, however, said that his government was not in a position to abolish the nationality clause in the law on compensation for the war injured.

Ministry: North Soldier Defects Across DMZ

*SK2312130695 Seoul YONHAP in English
1302 GMT 23 Dec 95*

[FBIS Transcribed Text] Seoul, Dec. 23 (YONHAP) — The Defense Ministry announced that a North Korean Army soldier had defected to the South, crossing the Demilitarized Zone [DMZ] North of Inje, Kangwon Province, at 6:15 PM [0915 GMT] Saturday.

He was identified as Private First Class Choe Kwang-hyok, 25. He was in North Korean Army uniform but carried no weapon, the announcement said.

The ministry is questioning him on his reason of defection.

South-Made Autos To Enter North for First Time

*SK2112101195 Seoul YONHAP in English
0554 GMT 21 Dec 95*

[FBIS Transcribed Text] Seoul, Dec. 21 (YONHAP) — South Korean-made automobiles will formally enter North Korea Saturday [23 December] for the first ever time, the Kisan Corp. said Thursday.

A Kisan spokesman said a 1,500-ton freighter "Yan-long," carrying 15 passenger cars and vans produced by Kia Motors Corp., will depart Pusan port at 6:00 PM Thursday for the North Korean port of Najin.

The ship is scheduled to arrive at Najin Port around 8:00 PM Saturday.

The cars are five "Potentias", a 2,000-cc [cubic centimeter] luxury sedan model, five "Sportages," a Jeep, two 15-seat mini-buses, a 25-seat bus and two 8.5-ton freighter cars.

A Chinese corporation operating in the Najin-Sonbong Free Economic and Trade Zone is importing the automobiles, according to the Kisan spokesman.

Ministry Plans To Import Beef, Pork Products

*SK2112070195 Seoul THE KOREA TIMES in English
21 Dec 95 p 8*

[FBIS Transcribed Text] The Ministry of Agriculture, Forestry and Fisheries plans to import French-produced beef for the first time early next year, a ministry official said yesterday.

The ministry is also poised to import pork from France, Belgium and Hungary, in addition to current imports from the Netherlands, said the official.

To this end, the ministry has decided to set up import sanitary requirements. It generally takes some three months for the set-up. In this vein, European meats are expected to be imported sometime during the first quarter, next year.

France, Belgium and Hungary have repeatedly called on the government to permit imports of their meats, according to the ministry.

The official said the decision of allowing the European meats came in light of the need to multiply the import channels within the limitation of domestic demand.

Procurement Market Agreement Sent to WTO

SK2212102695 Seoul YONHAP in English
0724 GMT 22 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 22 (YONHAP) — South Korea submitted a ratification of agreement for government procurement to the World Trade Organization (WTO) Friday. This will open the country's government procurement market up to foreign firms, a Foreign Ministry spokesman said.

The agreement will take effect Jan. 1, 1996, but South Korea and Hong Kong have a one-year grace period for implementation he said.

The agreement stipulates that the government provide foreign firms de facto national treatment in their competition for government contracts.

Once the agreement takes effect, it will allow foreign firms to make inroads into the country's government procurement market, wreaking havoc among local businesses.

It will at the same time, however, also give local firms the opportunity to compete in the government procurement markets of other countries, thereby allowing them to enhance their world trade competitiveness, the spokesman said.

Canada Decides To Rescind GPT on Korean Cars

SK2212025195 Seoul YONHAP in English
0156 GMT 22 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 22 (YONHAP) — Canada decided Friday to stop granting its general preferential tariff [GPT] to Korean-made automobiles exported to Canada, explaining that Korea has displaced Canada as the world's fifth largest automobile maker, a Foreign Ministry official said.

Korean cars marketed in Canada will now be subject to an 8-percent tariff beginning Jan. 1, 1996, up from the current 6.2 percent allowed by the GPT system, he said.

The tariff increase will mean that the average market price of Korean cars sold in Canada will go up about 219 U.S. dollars, he said.

Hyundai, Korea's biggest automaker, exports about 20,000 units or 150 million U.S. dollars worth to Canada annually.

The Foreign Ministry, however, expects the impact to be minimal because the Canadian Government is preparing to lower its tariff rate to 6.7 percent by 1998, according to the Uruguay Round multilateral trade agreement.

America's "big three" automakers, Ford, GM, and Chrysler, have strongly insisted that the Canadian Gov-

ernment stop granting preferential status to Korean automakers.

Canadian businesses have also demanded that advanced developing nations like Korea, Hong Kong and Brazil be excluded from the preferential tariff.

They have successfully lobbied since 1979, for the Canadian Government to stop granting the GPT to such Korean products as color filament, filament yarn, rubber shoes, and color televisions.

Dailies Comment on Formation of New Cabinet

SK2312071895

[FBIS Editorial Report] The following is a compilation of editorials carried by ROK vernacular newspapers on 20 and 21 December commenting on the 20 December cabinet reshuffle in the ROK.

MUNHWA ILBO carries on page 3 an 800-word editorial entitled "Task of the Yi Su-song Cabinet."

The editorial emphasizes that the most important task for the new cabinet is holding the upcoming parliamentary elections fairly, by saying: "The new cabinet is a cabinet for managing the parliamentary elections. Holding fair and clean elections is basic to a democratic society. We must ensure that the reform for changing an atmosphere in elections by revising the campaign fund law and other laws will bear fruit in the parliamentary elections."

CHOSON ILBO on page 3 carries an 800-word editorial entitled "Meaning of the Cabinet Reshuffle."

The editorial says that President Kim Yong-sam's efforts to exclude officials of the Fifth and Six Republics from the new cabinet and his will to make a generational change are apparent in his latest cabinet reshuffle. The editorial says: "The problem is that 'straightening history' or 'a generational change' cannot, for example, keep small and medium-size companies from going bankrupt one after another." It goes on to say: "Just as he did when he stressed 'globalization' and the 'national economy,' the president should have clear-cut goals in 'straightening history' both in name and reality."

TONG-A ILBO carries on page 3 an 800-word editorial entitled "What We Expect From the New Cabinet."

The editorial first affirmatively assesses the new cabinet and then says: "At this time of great change, the Yi Su-song cabinet has a massive mission. Soothing sour public sentiment and holding fair parliamentary elections next year are important tasks, but above all, stabilizing the national economy and continuing the reforms are most important. The most urgent task is

to achieve stability and growth while overcoming the current economic difficulties." The editorial then says: "The cabinet must not be shaken, but must maintain equilibrium. It is important for the cabinet to seek consistency in carrying out policies. Still, it must sincerely work for the people. Then, it will be able to win confidence from the people."

CHUNGANG ILBO carries on page 4 a 1,000-word editorial entitled "The Cabinet Must Stand in the Center of the State Affairs."

The editorial describes the heavy tasks that lie before the new cabinet, such as soothing the public sentiments and holding fair parliamentary elections. It then says: "Taking this cabinet reshuffle as an opportunity, the government must establish new relations with Chongwadae [presidential offices]. The two institutions must clearly divide up functions among themselves." It goes on to say: "Even though the cabinet receives instructions from the president, the two sides must demonstrate good teamwork in mapping out, examining, and deciding on policies."

HANGUK ILBO carries on page 3 an 800-word editorial entitled "Mission of the New Cabinet."

The editorial first says: "The most important aspect about the latest cabinet reshuffle is that President Kim Yong-sam appointed his confidants to such posts as home minister and chief presidential secretary and retained other confidants in others. This is interpreted as President Kim's will to exercise his personal leadership in making reforms to eliminate corruption and liquidate the legacies of the past."

The editorial then asks the cabinet to "sternly and resolutely liquidate the legacies of the past in ways that can win the people's understanding and to do this with reason and according to law."

KYONGHYANG SINMUN on 21 December carries on page 3 a 600-word editorial entitled "Stabilizing the Domestic Political Situation Is a Primary Task." The editorial points to the possibility that "the country's political, social, and economic balance may be damaged early in the next year due to the scheduled general elections," not to speak of the unpredictable South-North relations. It then urges the cabinet and presidential secretaries to "do their best to stabilize the conditions of the country" by "finishing the task of liquidating the past as soon as possible" and by "removing factors that may cause social instability."

SEOUL SINMUN on 21 December carries on page 3 a 600-word editorial entitled "New Cabinet Urged To Fulfill Its Historic Mission Faithfully." Stressing that, "The new cabinet should be aware of its historic mission

to maintain national security and stability, to push ahead with the task of correcting history and with state policies for reform, and to open a new era of our country as an advanced nation by achieving national unity and increasing the country's international competitive strength," the editorial urges cabinet members to "break from their office-centered egoism, tighten discipline, and achieve unity, so as to concentrate on government-level strength and will."

HANGYORE SINMUN on 21 December carries on page 3 an 800-word editorial entitled "Be a Cabinet for Liquidation." The editorial notes "it is too early to consider the recent cabinet reshuffle as a start of personnel liquidation for 'severance' because the forces of the Fifth and Sixth Republics 'are still doing well' in the ruling party." Stressing that "the most important mission of the new cabinet is to realize the liquidation of the past," the editorial reiterates the need for the government to "implement all its routine tasks within the major trend of liquidating the past." The editorial says, "the most important task of President Kim Yong-sam is also a thorough liquidation of the past" and concludes by hoping that he "will not fail to implement the grand task by taking the upcoming general elections into account."

MUNHWA ILBO dated 21 December carries on page 3 an 800-word editorial entitled "Expectations for the New Deputy Prime Minister for Unification." The editorial welcomes the appointment of Kwon O-ki, a senior journalist and "a definite civilian," as deputy prime minister for unification, saying this can be interpreted as "President Kim's attempt to approach the reunification issue from a fresh viewpoint." It also hopes Kwon will be the last deputy prime minister for unification of the civilian government.

The editorial stresses "North Korea should awaken itself to the reality that the ROK is the only country that can practically help North Korea, as shown in the recently concluded negotiations on the supply of light-water reactors" and urges the North Korean authorities to "accede to South-North dialogue in accordance with the Geneva agreement." The editorial then hopes "Deputy Prime Minister Kwon will resolve inter-Korean issues with patience and confidence."

The independent MAEIL KYONGJE SINMUN on 21 December carries on page 3 a 1,000-word editorial entitled "Expectations for the New Cabinet." The editorial mentions that many "fresh and professional" faces were taken into the new cabinet, and expects this "will help the civilian government effectively wind up the latter half of its term." The editorial particularly notes: "The reshuffle of the government's economic team shows a will to rehabilitate our economy which is now in stand-

still." The editorial stresses: "The new economic team should perform practical achievements that harden the ground for the durable growth and development of our economy, by effectively removing all factors of unstabilized economy such as domestic and international obstacles and challenges which become all the more serious as days go by." It continues: "To this end, courage is needed to drastically reform all systems and customs that restrain business activities so as to encourage businesses and businessmen to enhance their competitive strength by displaying the utmost creativity and ability." The editorial concludes by hoping the new cabinet "will contribute to invigorating our economy and society which have been driven into a chaos due to large tragic accidents and power-grabbing illegalities, and will contribute to fixing security and vigor."

Yi Hwan-kyon New Finance-Economy Vice Minister
SK2312050095 Seoul YONHAP in English
0304 GMT 23 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 23 (YONHAP) — Customs Administration Commissioner Yi Hwan-kyon was named new finance-economy vice minister in a reshuffle of vice ministerial-level announced Saturday.

Yi Ki-chu, senior member of the Institute of Foreign Affairs and National Security, was appointed vice foreign minister, while Vice Commissioner Yim Chae-chu of the National Tax Administration was promoted to head the administration.

A total of 12 vice ministers and nine heads of administration offices were newly appointed or replaced through the reshuffle conducted by President Kim Yong-sam.

The head of the Finance and Economy Ministry's budget office Yi Yong-tak has been named vice education minister and the Culture and Sports Ministry's Planning Office Director Yi Kang-mun has been promoted to vice minister.

Cho Il-ho, deputy minister of the Agriculture, Forestry and Fisheries Ministry, has been named vice minister, and Patent Administration Director An Kwang-ku has become the new vice minister of trade, industry and energy. Yun So-sung, director of the Environment Ministry's Planning and Management Office was promoted to vice environment minister.

Following are other appointees:

— Vice government administration minister: Yun Ung-kyu (dean of Central Officials Training Institute)

— Vice science and technology minister: Yim Chang-yul (supply administration chief)

— Vice state minister for political affairs: Yun Ung-kyu (special advisor to the Agency for National Security Planning [NSP])

— Vice secretary-general of the Advisory Council on Democratic and Peaceful Unification [ACDPU]: Nam Chu-hong (advisor to NSP director)

— Special advisor to NSP director: Nam Chung-pan (vice secretary-general of the ACDPU)

— Supply administrator: Yu Chae-ho (Chongwadae [presidential offices] secretary)

— National tax administration commissioner: Kang Man-su (tax system office chief of the Finance-Economy Ministry)

— Rural development administration chief: Cho Chae-yun (vice chief of the administration)

— Forestry administration chief: Yi Yong-nae (vice mayor of Incheon city)

— Fisheries administration chief: Chon Yun-kil (vice chairman of Fair Trade Commission)

— Industrial advance administration chief: Kim Yu-chae (director of the Korean Industrial Property Office)

— Administrator of the Korean Industrial Property Office: Chong Hae-chu (deputy trade minister)

— Administrator of the Maritime and Port Administration: Yi Pu-sik (presidential construction and transportation secretary)

"A large number of competent men with specialized expertise and driving force have been recruited in this reshuffle so that reforms can be continuously pushed forward with force during the latter half of President Kim's tenure," Presidential Spokesman Yun Yo-chun said.

Giving some background to the personnel switches, Yun said, "Many people whose competence has been recognized in the relevant fields have been promoted to enhance morale among civil servants."

In the reshuffle, five grade one officials were promoted to vice ministers, seven grade one officials to extra-cabinet office administrators, two grade one research and engineering officials and six office administrators to vice ministers.

Unaffected in the reshuffle were 18 out of 30 vice ministers and vice ministerial-level officials. Among the 12 officials that were replaced was the special assistant to the director of the Agency for National Security Planning. Nine out of 13 extra-cabinet administrators were replaced.

The government plans to carry out follow-up reshuffles involving grade one level officials in the ministries and elsewhere in the near future.

Retired Generals Demand Punishment for Chon, No
SK2112070095 Seoul THE KOREA HERALD
in English 21 Dec 95 p 3

[FBIS Transcribed Text] About 1,500 retired generals of the Army, Navy and Air Force yesterday demanded that those responsible for the 1979 military revolt and the 1980 bloody crackdown on the Kwangju civic uprising be punished sternly.

The former military officers, who are members of a fraternity group called "Songuhoe," made the demand in a resolution which they adopted during a rally held at the auditorium of the Korea Veteran's Association building in southern Seoul.

They called for stiff punishment of former Presidents Chon Tu-hwan and No Tae-u, who are currently in jail, and others to prevent the recurrence of similar incidents. Chon and No are accused of having masterminded the two incidents.

"We feel deep regret for the incidents which gave sorrow and pain to people as well as harm to the honor of the military," the resolution said.

'YWCA Disguised Wedding Case' Victims Sue
SK2212112995 Seoul YONHAP in English
1048 GMT 22 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 22 (YONHAP) — Eleven victims of torture allegedly perpetrated by the Defense Security Command in 1979 sued former President Chon Tu-hwan and six others at the Seoul District Prosecutor's Office Friday on charges of abuse of office and battery.

Yi Sin-pom and 10 others complained in the suit that agents from the joint military investigation headquarters and Defense Security Command both led by Maj. Gen. Chon Tu-hwan rounded up about 140 attendees of a democratization rally in November 1979 and tortured them badly.

The incident, that occurred in the wake of the assassination of President Pak Chong-hui, is referred to as the "YWCA disguised wedding case" because the rally took place at a YWCA hall under the guise of a wedding as no public gatherings were allowed under the martial law then.

"Merely on the ground that we attended the rally, they carried us away and brutally tortured us in various

manners like kicking with military boots on and beating with sticks," one of the suers said.

He said some of the victims still suffer from the lingering aftereffect of the torture.

Chon's Brother-in-Law Questioned on Slush Fund
SK2412090195 Seoul YONHAP in English
0859 GMT 24 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 24 (YONHAP) — The prosecution said Sunday that it summoned and questioned Yi Chang-sok, brother-in-law of former President Chon Tu-hwan, Saturday [23 December] about Chon's alleged slush funds.

Yi returned home on Saturday.

The prosecution questioned him about the allegation that Chon transferred his bank account worth about 20 billion slush funds into Yi's accounts shortly after the government enforced real-name financial transaction system in August, 1993.

Yi is a younger brother of Yi Sun-cha, Chon's wife.

Kim Orders Annual New Year Reports Suspension
SK2212113195 Seoul YONHAP in English
1043 GMT 22 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 22 (YONHAP) — The customary practice of major government offices giving New Year's reports to the president is to be discontinued from the New Year.

The suspension of New Year's reports was ordered by President Kim Yong-sam Friday.

"During a senior Chongwadae [presidential offices] secretaries meeting, President Kim ordered the discontinuation of the system, saying that due to the preparation of such reports, there has been much administrative waste," Presidential Spokesman Yun Yo-chun said.

Due to the practice dating back to the era of the Pak Chong-hui administration, major administration offices used to be tied up for a couple of months beginning mid-December.

Cardinal Urges Choe Kyu-ha To Disclose Truth
SK2012130995 Seoul YONHAP in English
1254 GMT 20 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 20 (YONHAP) — Stephen Cardinal Kim Su-hwan on Wednesday evening urged former President Choe Kyu-ha to speak up on the December 12 coup, saying that Choe, the then president, has the obligation to disclose the truth to the people.

In a Kwanhun Press Club forum held at the Press Center in Seoul, the cardinal said he understands the reason why ex-President Choe is keeping mum.

"But, the December 12 coup is too serious a question, a question that is linked to our nation's destiny and the people's sovereignty," he said.

The cardinal said the incident of former Presidents Chon Tu-hwan and No Tae-u should serve as an occasion to liquidate the country's dark past.

"I believe that through the incident, we should let the people know that law and justice are alive in our society and truth is bound to be disclosed without fail," Cardinal Kim said.

Prosecution Questions Former Ministers on Kwangju

SK2412084195 Seoul YONHAP in English
0836 GMT 24 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 24 (YONHAP) — The prosecution, probing into Dec. 12 military coup and May 18 bloody suppression, summoned Sunday former Education Minister and Unification Minister Yi Kyu-ho and former Culture and Information Minister Yi Kwang-pyo.

The prosecution's Special Investigation Headquarters also questioned Chong Ung, former 31st Army Division commander, and Song Hwan-ok, former chief of the Military Police Corps of the Capital Defense Command.

The prosecution questioned Yi Kyo-ho, education minister in 1980, about how the special cabinet meeting decided on the expansion of the emergency martial law to the whole country on May 17 in 1980 and if the student demonstrations were really serious enough to expand the martial law.

Yi Kwang-pyo was asked about how he participated in the process of the merger and abolition of the press organizations in 1980.

The prosecution questioned Chong about details of the air-borne forces' moving to Kwangju in May 1980, and asked Song questions about why he stationed his men around the government building where the special cabinet meeting were being held on May 17, the same year, and why he arrested or confined opposition leaders including Kim Yong-sam and Kim Tae-chung then.

'Yulgok' Program Renamed 'Force Improvement'

SK2212034395 Seoul THE KOREA TIMES in English
22 Dec 95 p 3

[FBIS Transcribed Text] Amid the ever-growing corruption scandal involving the military buildup program co-

denamed, "Yulgok," the Defense Ministry has decided to ditch it. A more benign-sounding "Force Improvement" program will be used in its place beginning next year.

Yulgok is the pen name of a scholar in the Choson Kingdom era (1392-1910) who unsuccessfully asserted a military buildup in preparation for a Japanese invasion (15th century). Perhaps the irony is that Yulgok's prophecy was not accepted, while the modern-day Yulgok program was dropped after it was first used in 1974. Thus far, tens of trillions of won have been invested in military modernization programs under that name.

This renaming of the Armed Forces' major weapons modernization and procurement program is aimed at stemming a flood of bad publicity from scandals of various sizes related to it that have severely tainted the entire image of the military establishment.

For instance, the multi-billion-dollar Korea Fighter Program (KFP), one of many Yulgok items, has been the eye of a storm in the ex-president No Tae-u slush fund scandal. No had allegedly received huge amounts of kickbacks in return for choosing F-16s by General Dynamics as ROK Air Force future fighters instead of McDonnell Douglas' FA-18s.

The Yulgok program also includes most of the big-ticket weapons procurement deals, including the purchase of P-3Cs, anti-submarine reconnaissance aircraft. An investigation is underway to uncover the truth behind those shady arms deals.

Investigation of Opposition Lawmakers Opposed

SK2212040195 Seoul YONHAP in English
0212 GMT 22 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 22 (YONHAP) — The main opposition National Congress for New Politics (NCNP) announced Friday that it will strongly oppose any investigation of opposition lawmakers.

Pak Chi-won, NCNP spokesman, said, "We don't consider the investigation of Rep. Kim Pyong-o as the beginning of a full-fledged investigation into NCNP politicians. However, if the investigation is intent on suppressing the opposition party, we will focus our energies on strongly opposing such a move."

The prosecution summoned Rep. Kim (NCNP) Thursday and questioned until early Friday morning about allegations that he received 50 million won last June from incumbent Kuro ward Chief Pak Won-chol, who was then preparing to run for reelection. This money was supposedly received in return for a promise to help

Pak in his bid to be nominated as the official NCNP candidate.

Opposition Camp Asked To Join Reform Program

SK2212095395 Seoul YONHAP in English
0657 GMT 22 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 22 (YONHAP) — A key architect of reformist policies in the ruling New Korea Party on Friday called on groups of reform-minded politicians in the opposition camp to join the ruling camp in its reform program.

Yi Yong-hui who was recently sacked as head of the Yoido Institute, ruling party's think-tank, because of his radical reformist ideas, said at a Sinmun-ro forum breakfast meeting that new faces from all walks of life must be recruited if the reform program is to be a success.

The government's efforts to correct history will fail if the ruling party loses the general elections slated for next April, he warned.

Corrupt politicians and holdovers from the 1961 coup d'etat must not be allowed political gains in the coming elections, he stressed.

If there are still politicians who have amassed unlawful political funds since the swearing in of the present civilian government, they must be severely punished according to the law without regard to party affiliation, he added.

While commenting on the cabinet political system called for by conservative politicians, Yi warned that this would not only intensify regional rivalries and money politics but also would pave the way for politicians loyal to Chon Tu-hwan and No Tae-u to gain political influence.

Chong Ho-yong Leaves Ruling Party

SK2212051395 Seoul YONHAP in English
0443 GMT 22 Dec 95

[FBIS Transcribed Text] Taegu, Dec. 22 (YONHAP) — Rep. Chong Ho-yong of the New Korea Party (NKP) announced he is bolting from the ruling party Friday in a press conference at his office here.

The general-turned politician said he feels there are too many discrepancies between the ruling party and himself on views of history and policy.

"As a man subject to legal actions by the May 18 special law, I must leave the NKP to not be misunderstood by the people that I want to gain the favor of the ruling party," he said.

Chong was a core member of the new military elite led by then Major Gen. Chon Tu-hwan, the alleged mastermind of the 1979 military coup and the 1980 brutal crackdown on demonstrators in Kwangju.

"Lingering any longer in the party is an act of self-deceit for me and a stumbling block to the party," he said.

Burma

Bilateral Agreement Signed With India

*BK2512145395 Rangoon Radio Myanmar in Burmese
1330 GMT 25 Dec 95*

[FBIS Translated Text] The third state-level meeting between Myanmar [Burma] and India was held on 22 December. During the meeting, matters concerning Myanmar-India border region issues, security, and the exchange of sports and cultural delegations were discussed.

A bilateral agreement was signed at a ceremony held at the Ministry of Home Affairs Meeting Hall at 1600 today. The agreement was signed by Colonel Tin Hlaing, leader of the Myanmar delegation and deputy minister of home affairs, and Mr. K. Padmanabhaiah, leader of the Indian delegation and secretary of the Ministry of Home Affairs.

SNLD Report at National Convention Noted

*BK2312080995 Rangoon THE NEW LIGHT OF
MYANMAR in English 2 Dec 95 p 3*

[Report on proposal papers presented by delegates at 1 December plenary session of the National Convention held in Rangoon]

[FBIS Transcribed Excerpt] U Sai Nyunt Lwin, National Convention delegate of Shan Nationalities League for Democracy [SNLD], submitted a proposal paper compiled by the party on the structure of the chapter on the legislature to be included in writing the constitution.

He said the proposals were based on the facts — perpetuation of the Union of Myanmar [Burma], emergence of a constitution which all nationals can accept, for all national races to enjoy rights equally, for all nationals to be equal before the law and objectives of the National Convention.

The "legislature," he said, is so important a chapter as the brain and the heart of the State and also leads the way for the Union as every law discussed, approved and enacted is to be obeyed by every national. It is seriously believed that with proper and correct structure, functioning and separation of power, the sector of legislature will help the executive, the judiciary and other sectors of the future Union appear vivid and definite and gain smooth functioning and progress, he remarked.

He pointed out that at this juncture, correct path for success of the future journey will be found only after reviewing the present situation on the basis of experience and taking lessons from the past events, adding past events and present life conditions cannot

be ignored. He said the Union of Myanmar has not emerged for no cause and regaining of independence with the strength of unity, out of trust and reliance and love and unity among national races and after signing of agreements should not be forgotten, adding the cause of the emergence of the Union and regaining of independence from aliens is rooted in the signing of the Panglong Agreement.

Without promises and agreements, he said, the Panglong Agreement would not have emerged and if there were no such agreement, the Union would not have emerged. He attributed emergence of the Union to the Panglong Agreement with which national unity has been forged, noting it was not wrong to say that an essence of signing the agreement was actually realization of our three main national causes. Panglong spirit is the spirit for non-disintegration of the Union, consolidation of national unity and perpetuation of sovereignty, he said, and expressed his belief that lacking or weakening of Panglong spirit or ignoring of the Panglong Agreement will affect our three main national causes. [passage omitted] Shan Nationalities League for Democracy, he said, wishes the nation to be built in a genuine Union system and to lay emphasis more on the essence of the Union than on its name.

U Sai Soe Nyunt of Shan Nationalities League for Democracy submitted the remaining part of the proposal paper.

He collectively presented opinions put forward by the party:

- (1) To form the chapter "the Legislature" taking the affairs of all the national races and democratic causes for all the citizens into consideration based on Panglong spirit;
- (2) To lay down principles to serve as bases only when they stand the test of the fundamental principle "sovereignty resides in the citizens";
- (3) To distribute legislative power of the State among the Pyidaungsu Hluttaw [Union Parliament], Region Hluttaws and State Hluttaws;
- (4) To vest the Pyidaungsu Hluttaw with legislative power for common affairs and to vest Region Hluttaws and State Hluttaws with the remaining legislative power;
- (5) To keep legislative power for self-administered areas at Region Hluttaws and State Hluttaws;
- (6) To call the Hluttaw constituted with equal numbers of representatives from Regions and States by a more meaningful term "Lumyosu Hluttaw", instead of Amyotha Hluttaw [both meaning House of Nationalities];

(7) To constitute Pyidaungsu Hluttaw with Hluttaw representatives elected on the basis of population and national races Hluttaw representatives elected in equal numbers from Regions and States;

(8) To constitute Pyithu Hluttaw [People's Assembly] with Hluttaw representatives elected on the basis of population;

(9) To lay down a principle "Tatmadaw [Defense Services] members nominated" by the Defence Services commander-in-chief have the right to stand election in the constituencies of Pyidaungsu Hluttaw, Region Hluttaws and State Hluttaws:

— if elected, the Tatmadaw member has the right to participate as Hluttaw representative in the respective Hluttaw;

— if not elected, the Tatmadaw member is permitted to return to the Tatmadaw to discharge duties in his or her former rank;

(10) As it has been said that Pyithu Hluttaw representatives are elected on the basis of population and in consideration of the future when the population will be increasing, to constitute Pyithu Hluttaw is to be constituted constituency wise with

(a) people's representatives made up of one Hluttaw representative elected from each township;

(b) representatives made up of one more Hluttaw representative elected from each township having a population of 300,000 and above;

(11) When there arises cause to study and submit matters concerning the Tatmadaw in addition to defence and security matters Pyithu Hluttaw is to form the Defence and Security Committee with Pyithu Hluttaw representatives and prescribe its term;

(12) To prescribe the tenure of the Pyithu Hluttaw as five years, instead of four years;

(13) To enact separate laws for election of Pyithu Hluttaw temporary chairman (yaryi thabapati), election of session chairman (thabapati) and vice chairman (dutiya thabapati) and prescribing their rights and responsibilities, resignation of session chairman and vice chairman; termination from being representative and for having no more right to stand as representatives; and to term leader and deputy leader of Pyithu Hluttaw representatives as Pyithu Hluttaw chairman (okkahta) and Pyithu Hluttaw vice-chairman (dutiya okkahta) respectively instead of session chairman (thabapati) and vice-chairman (dutiya thabapati);

(14) To term Amyotha Hluttaw as Lumyosu Hluttaw and it is to be constituted with national races Hluttaw

representatives elected in equal numbers from Regions (States) under the principle of equality for national races;

(15) If it is to be provided that Lumyosu Hluttaw should include representatives of self-administered areas, the Hluttaw is to be constituted with one national race Hluttaw representative from each of the self-administered areas;

(16) When there arises cause to study and submit matters concerning the Tatmadaw in addition to defence and security matters, the Hluttaw is to form the Defence and Security Committee with Hluttaw representatives and prescribe its term, and is to be granted the right to include suitable persons in the committee;

(17) To enact a separate law for election of Amyotha Hluttaw alternate chairman and the chairman's performance of duties, election of session chairman (thabapati) and vice-chairman (dutiya thabapati), their performance of duty and termination of them from duty; and to term chief or the representative and deputy chief of Lumyosu Hluttaw representatives as Nayaka and Dutiya Nayaka respectively, instead of Thabapati and Dutiya Thabapati;

(18) To stipulate numbers of State and Region Hluttaw representatives by the respective State or Region;

(19) To enact a separate law for election of Region or State Hluttaw temporary chairman (yaryi thabapati), election of session chairman (thabapati) and vice chairman (dutiya thabapati), performance of their duty, termination of them from duty and prescribing of rights and responsibilities and prescribing of tenures;

(20) Facts crucial for the constitution should be provided as principles; they should not be detailed principles to serve as bases; and the matter is to be carried out with the enactment of law;

(21) Concerning election to the Pyidaungsu Hluttaw (Pyithu Hluttaw and Lumyosu Hluttaw) and to State or Region, qualifications as to being a person who has completed 21 years of age and being a national born of parents both of whom are nationals are to be prescribed;

(22) Every citizen has the right to vote if he or she has completed 18 years of age and the right to stand to election if he or she has completed 21 years of age;

(23) Other bans and prohibitions are to be dealt with by promulgation of a separate law without providing them in the constitution to be written.

Rallies Supporting National Convention Reported
BK2512143695

[FBIS Editorial Report] Rangoon TV Myanmar Network in Burmese at 1330 GMT on 18 December reports that a mass rally to support the National Convention was held at the Myoma Sports Grounds in Tilin, Magwe Division on 15 December and was attended by about 4,500 people. Another rally was held at Nyeinchanthaya Square in Myitkyina on 16 December and was attended by more than 61,000 people. The same report says a rally in support of the National Convention was held in Myawadi, Karen State on 16 December, but no attendance figure is given. The report says a similar rally was held at Seinlet Yadana Hall in Mohnyin, Kachin State on 17 December and was attended by over 38,000 people.

Rangoon TV Myanmar Network in Burmese at 1330 GMT on 19 December reports that a rally to support the National Convention was held at the Township Soccer Grounds in Naungtaikdaw Ward in Mogaung on 17 December and was attended by over 17,000 people. The report also says a rally in support of the National Convention was held at the Aung Thanlwin Sports Grounds in Pa-an on 18 December and was attended by more than 50,000 people.

Rangoon Radio Myanmar in Burmese at 0630 GMT on 21 December reports that a rally in support of the National Convention was held at the People's Sports Grounds in Tada-u, Kyaukse District, Mandalay Division on 18 December and was attended by more than 10,500 people.

Rangoon TV Myanmar Network in Burmese at 1330 GMT on 21 December reports that a rally to support the National Convention was held at the Myoma Sports Grounds in Kawkareik, Karen State on 20 December and was attended by more than 35,780 people.

Rangoon Radio Myanmar in Burmese at 1330 GMT on 23 December reports that a rally in support of the National Convention was held in Kyaukpyu on 23 December and was attended by 20,000 people.

Rangoon Radio Myanmar in Burmese at 0630 GMT on 24 December reports that a rally in support of the National Convention was held in Bhamo and was attended by more than 50,000 people.

Rangoon Radio Myanmar in Burmese at 1330 GMT on 25 December reports that rallies in support of the National Convention were held at the Yangyi Aung Sports Grounds in Kawthaung on 24-25 December. No attendance figure is given.

Man Arrested for Distributing Suu Kyi's Speech

BK2412152995 (Internet) BurmaNet News in English
20 Dec 95

[FBIS Transcribed Text] On 16 December 1995, U Sein Hla Aung, an NLD [National League for Democracy] member from Mandalay, was arrested by the SLORC [State Law and Order Restoration Council] with the allegation that the victim has distributed the video tapes of Daw Aung San Suu Kyi's speech, delivered on every Saturdays and Sundays. Human Rights Documentation Unit NCGUB [National Coalition Government of the Union of Burma]

KNPP: Cease-Fire Accord With SLORC 'Void'

BK2412123195 (Internet) BurmaNet News in English
22 Dec 95

["Full Text" of the Karenni National Progressive Party's statement on emergency meeting with regard to cease-fire with the State Law and Order Restoration Council held on December 20, 1995; place not given]

[FBIS Transcribed Text] In response to its peace overture, the Karenni National [Progressive] Party [KNPP] had a series of talks with SLORC [State Law and Order Restoration Council]. SLORC agreed to 16 points put forward by KNPP, and as a result, an agreement was reached. To mark and solemnized the agreement, a ceremony was held on March 21, 1995. But after the ceremony, SLORC failed to abide by the agreement. It, in violation of the agreement, launched a major military offensive code-named "Taing Lone Heim" (Echo Through the Region), sending thousands of its troops into the KNPP controlled area. KNPP tried to solve the problem through talks on June 20 and June 22 in Loikaw with local SLORC's commanders, but without any positive result. Wishing to abide by the cease-fire agreement reached on March 21, 1995, and wanting to know the intention of SLORC clearly, KNPP, as an attempt to solve the problem, sent a delegation to Rangoon on November 21, 1995. During the talks with SLORC, the KNPP delegation was explicitly told that the agreement reached between it and the former did not amount to an official agreement, and that SLORC could not withdraw its troops it had thrown into Karenni-controlled area. The agreement reached, SLORC's military authorities said, was only a step where KNPP had entered the legal fold. SLORC has not only violated an agreement reached with KNPP on March 21, 1995, it also regards KNPP as a group that has surrendered. Hence, KNPP regards the agreement reached with SLORC in March 1995 as null and void. On the other hand, KNPP firmly believes that peace can be achieved through the official cease-fire reached with SLORC in March 1995. Hence, based on

equality, mutual respects, mutual recognition, good will and honesty, KNPP is willing to continue holding cease-fire talks with SLORC. Central Committee Karenni National Progressive Party ABSDF [All Burma Students' Democratic Front] NEWS AGENCY ABSDF (DAWN GWIN)

Article Views Forced Labor Under SLORC Rule

BK2412164595 Bangkok THE SUNDAY POST
in English 24 Dec 95 p 20

[Article by Faith Doherty: "Burma: Behind The Mask"]

[FBIS Transcribed Text] The newspapers in Burma daily show images of generals travelling around the country, carefully creating and maintaining the illusion that Burma under their rule is developing and secure.

Virtually every delegation, whether it's a Japanese multi-national or a donation of two computers for the much heralded New Computer Center in Rangoon, is exalted and filmed. Much fuss is then made about who attended the meeting with the general.

The longer you stay in Burma the easier it is to see how important it is for the ruling State Law and Order Restoration Council [SLORC] (using their controlled media) to promote the facade. Sometimes it works, and unless you've seen the Burma behind the mask, you too can begin to believe in "progress" under the SLORC.

In Rangoon, seemingly endless new high-rise hotels, which only business people or very rich tourists can afford, and a partially finished freeway for private cars, hide another reality.

Rangoon is a city where cholera is endemic, and hygiene standards so low that one visiting sanitation consultant estimated it would take five years to be even close to acceptable standards. Fresh seafood is available in restaurants that will not accept local currency, but there is very real hunger in back alleys.

Over the last 12 months, delegations visiting Burma have stated, and lobbied, to the effect that the country has improved, the SLORC are amendable to reform, and that the regime is truly concerned with the welfare of the Burmese people.

These sentiments are met with utter disbelief by those who live in Burma and who face both the extreme measures of control by the State, and their own growing poverty.

Capital investment is a term often used in the SLORC media, and by the elite living in Burma, to describe current "development" efforts.

Since some multi-nationals and a small group of foreign oil companies are prepared to stake claims in the country before democratic reforms have begun, the general public and the international community are asked to believe that these investments will actually benefit the millions of impoverished people in the country.

For the rulers of Burma, this is key component of their facade. There is, as yet, no tangible evidence that any funds supplied by these companies have done anything but worsen the plight of civilians living in industrial "development" zones.

The SLORC illusion is made complete by investors who not only have business dealings with the regime, but are taking steps to publicise their involvements with glossy annual reports, opinion pieces run in foreign countries, and in the case of the oil industry, with professional lobbyists to pound the floors of U.S. Congress with their arguments of constructive engagement.

The truth is that most investors see only what the SLORC allows them to see. Travel is restricted, itineraries worked out well in advance, and local people know well the cost of any honest discussions with VIP [Very Important Person] guests.

Travelling in comfort, from beautiful hotel rooms to chauffeured air-conditioned cars, eating at state banquets, taking carefully orchestrated side trips to the Shwedagon Pagoda, it is easy to be fooled. And to convince yourself that what you do is not only going to make a pile of money but help the local people.

Even without tight controls on a given visit, the poor have been removed in forced (usually unpaid) relocations from scenic areas, ensuring that visitors will see only beautiful buildings and smiling staff.

Burma's premier tourist city, Mandalay, has recently undergone such an "improvement." To construct a new ring road around the city, communities who have lived for decades on the Irrawaddy, have been forcibly relocated to a new satellite area on the outskirts of Mandalay.

The authorities offered this community their own land at the new site, which they accepted. However, it soon became apparent that the increased costs of travel to work were a major economic burden. In addition, promised water and electricity services were unavailable, not affordable, or often both.

Many people from these communities have returned to the river to live and work. They will almost certainly be forced to move again. Community members have stated they know they will be forced (without pay) to help construct the ring road.

Another outcome of the SLORC facade is that opposition movements, including democratically elected ones, are dismissed and discredited, both at home and abroad. They are accused of being "anti-business" and under the influence of "propaganda" from ethnic rebels groups.

Little acknowledgment is given to the fact that these groups are in touch with the people of Burma at grass roots levels along the borders, but also in the heart of the country.

If the leaders the people themselves have chosen to represent them have reservations about the way investment is being undertaken in Burma, their voices cannot and should not be ignored.

If you leave Rangoon, avoiding the SLORC-controlled tourist route of Upper Burma, and head south, you will encounter the real story of Burma. Here the facade wears thin, the military is nakedly in force, and the lives of the people you see confirm the stories told by civilians who have fled to the many borders of the country. This is not a country moving forward into rapid economic growth, but a poverty-stricken place of fear and hunger.

As you leave Rangoon and head north towards Pegu, it is clear that this will be the next part of the country used to promote Visit Myanmar [Burma] Year 1996. Roads are being repaired and widened, and you already see the occasional tourist van guiding people through the many hundreds of local communities.

The road work is being done by local people forced to work on the roads for no money, but the tour guides are unlikely to tell this part of the story. If they do mention that the workers are local people, it will tell you about the wonders of "volunteerism" in Burma, and how the people you see in the hot sun are "gaining merit" by their contribution to the country.

Stories of forced labour are not new in Burma. In the last 12 months, as Visit Myanmar Year approaches, heated arguments between proponents of the SLORC (including tour operators) and those who have witnessed forced labour first hand have been fast and furious.

For the record, there is no law in Burma, including those dating from colonial times, that allows the use of forced labour. There is no law in Burma that allows the use of minors for forced labour, and there is certainly not one person who has been used for forced labour who has reported being happy or content with this abuse.

The people who work in the dust and heat while trucks and cars roar by are not only villagers, but their children.

An argument that has been used to justify this human rights abuse is that in Western societies we don't understand "the Asian Way." This argument is an insult

to the many of millions of Asian people who believe that their labour is worth as much as that of any person in any region.

To add insult to injury, many of these forced labourers know that they and their families will never be in positions to gain benefit from these construction projects.

Forced labour and portering of civilians by the military is not accepted by any other country in ASEAN. Why is it not criticised when used in Burma? Is it the Asian way to have a system that includes the forcing of children, some under 12 years, to work a day sorting stones on a hot and dusty highway?

Is it the Asian way to force people from their homes so that a railway line can be finished on time? The people of Burma should have the right to answer this question, and without fear of persecution for doing so.

This is not the Asian way, but the SLORC way, and no amount of researching through colonial laws or use of racist divides will ever justify these abuses.

Local communities in the Pegu area state that every two weeks they must contribute 50 kyats per household member to the development of a new highway through the township.

In one village along this route, locals said the money they "donate" is used to pay for a steamroller and tar machine. It does not go to the families or children forced to work. If families don't pay this levee, they are used to work the roads instead.

One begins to wonder what happens when all the hotels are built, and the roads are straight and wide and tourists happily go about seeing the beauty of this extraordinary land. What will be the situation for local people then? But tourists bring money and jobs don't they?

Yes, if you are educated and connected to an influential person. Not if you are from a rural area where the military will rely on your labour for the development of infrastructure to build a tourist-based economy.

Through the encouragement of the Asian Development Bank's Regional plan, which includes Laos, Cambodia and Yunnan, Visit Myanmar Year has been chosen by the military regime as a method of development. But development for whom?

Since July of 1994 there has been an increase in tourists visiting Upper Burma and the negative impact of this is already apparent.

Take Sagaing for example. Tourists visit the area and look at the many beautiful pagodas which are increasingly being filled with local children who will

greet you laughing and smiling. They will reach out to you and take your hand, leading you through the temples and posing for photographs, which seems so innocent.

From a child's perspective it is, perhaps, innocence. But the reality is that payment in some form, usually money, but sometimes just a present, is expected, and at times demanded.

The problem with this innocent scene is that children are now earning up to four times as much as their parents, encouraging other poor working families to join the trade. These children are now becoming bread-winners, and not, it goes without saying, attending school.

This occurs in other countries, of course, but is just starting in Burma, and we know all too well the consequences of this form of "development".

What happens to a young girl who is uneducated and unskilled when she reaches puberty and can no longer perform for tourists as a child? And the young boys? There is an alarming increase of street children in the country and tourism is not going to help this generation develop into productive adults.

As you travel by land through Pegu and continue south to Moulmein the face of the SLORC Army reappears. Bunkers with armed soldiers are dug in around most bridges. There are multiple checkpoints. The real face: forced labour, chain gangs and prisoners. Gone are the billboards promoting the Golden Land and the advertisements for tourists.

Further north, the townships of Bilin and Thaton are familiar names to people listening to those that have fled Burma as a result of extreme hardships, fear of death and abuse by the SLORC military.

People enslaved along these roads are from the poorest of the poor. They have no chance of benefiting from tourism, let alone any development plans the SLORC may have. They come from the rural base of the Tenasserim Division in southern Burma, and are mostly farmers and fishermen.

The month of December is traditionally harvest time here. With an increased quota of rice ordered by the SLORC Army, every able body is out in the fields harvesting.

At this crucial time, orders have been given to village headmen for contributions of road-repair labour from each household. The only labour the villages can spare at harvest time are children and so, as you drive through Bilin and Thaton, it is the faces of these young people you see sifting stones and laying gravel while their parents toil the land.

Back in Rangoon the NEW LIGHT OF MYANMAR heralds the opening of a newly asphalted 37th street in Kyauktada by Secretary 2 Lt Gen [Lieutenant General] Tin U. The opening of a new Toyota service station is given great status by the presence of Economic czar Minister Brig Gen [Brigadier General] Abel and the Ambassador of Japan. Development?

The people of Burma are not fooled. They may be only whispering their grievances to friends and foreigners at the moment, but down the road from SLORC's PR [Public Relations] blitz, thousands of people gather each weekend at 54 University Avenue to hear their questions addressed and the reality of their experience spoken openly.

The newspaper pictures of generals travelling around the country, smiling and ever-present, will not work. The true face of the SLORC is clear to the people of Burma, even if it is not to foreign investors, visiting dignitaries, and well-heeled tourists.

If people in Burma, with limited access to information, can see the truth of their situation, how much more should those in countries with free presses, unlimited access to information, and the Internet, be aware of the reality of life under the SLORC.

Press Release Alleges Mistreatment of Prisoners

*BK2612132495 (Internet) BurmaNet News in English
26 Dec 95*

["Press Release" issued by the All Burma Students' Democratic Front [ABSDF] on 26 December; place not given]

[FBIS Transcribed Text] Harsh investigation being held in Insein Prison [subhead]

Professor Yozo Yokota gave the SLORC [State Law and Order Restoration Council] a copy of his report on Burma that was submitted in the recent UNHCR [as received] meeting in Geneva.

Regarding the letters written by political prisoners which were clandestinely sent to Professor Yozo Yokota, UN rapporteur to monitor the human rights situation in Burma, SLORC began a very brutal investigation into the case and have been interrogating the prisoners in Insein Prison. SLORC would like to find out which prisoners wrote the letters and who helped them to send the letters out of the prison.

Water and food supplies have been denied during the interrogation period since mid November. Prisoners were forced to sleep on the concrete ground without mats or blankets. The prisoners under interrogation were kept in the 'military dog cells' which were tightly shut

so that nobody could get access to them. Permission to meet the prisoners has been refused since the middle of November.

Among the prisoners Saw Nai Nai (elected representative from Pazundaung township in Rangoon Division), Monywa Tin Shwe were severely interrogated. In Insein Prison, U Win Tin's health condition is bad. He is suffering from spondylitis.

The condition of political prisoners in Insein Prison is very bad at the moment. U Win Tin (member of Secretariat of the NLD [National League for Democracy]), Myo Myint Nyein, Dr. Myint Naing (elected representative from the NLD), Monywa Tin Shwe (elected representative from the NLD) and Saw Nai Nai (elected representative from Pazundaung township in Rangoon Division) were moved into the Military Dog Cells.

23 senior Burma politicians, including Bo Hmu Aung (Thirty Comrade), Dr. Maung Maung Kyaw, Wi Du Ra Chit Maung and Thakhin Khin Aung, have sent a joint letter to the SLORC urging them to start a dialogue. Many students inside also demanded in letters to the SLORC that they start a dialogue with Aung San Suu Kyi and ethnic leaders.

U Tin Oo, Vice Chairman of the NLD, has many times asked the SLORC to release all political prisoners. But there has been no response yet.

The SLORC started to take measures against the crowds of supporters that were gathering every weekend outside Suu Kyi's home. Three students who were working with Daw Aung San Suu Kyi after her release and asked the gate authorities to move the barbed wire strands were also arrested on November 24 and sentenced to two years' imprisonment. Despite the barbed wire, increased security and the arrests of the students, over 5,000 people gathered that weekend to hear Daw Aung San Suu Kyi speak.

U Sein Hla Aung of Mandalay who distributed the NLD Video tapes was also arrested very recently. Khun Myint Tun, Tin Tun Oo (both youth members of NLD), Saw Tin Win (Central committee member of NLD), and Mann Htay Shein were arrested even more recently for taking Daw Aung San Suu Kyi to a Karen new year festival in Rangoon.

It seems to be that the SLORC's plan is to first crush the supporters of Daw Aung San Suu Kyi, and her later. The SLORC is aware of the public relations boost the release of Daw Aung San Suu Kyi has given them, and they will not throw this away by re-arresting her immediately. Instead, they will cut off her support base and try to marginalise her. Harassing and arresting her supporters and party members is one way to do this.

The current situation in Rangoon is very tense. It seems inevitable that if there is no progress or dialogue with the SLORC, there will finally be some kind of confrontation between Daw Aung San Suu Kyi's supporters and the authorities. The authorities have started this confrontation already, by arresting NLD members and supporters.

Increased Gatherings [subhead]

After the release of Daw Aung San Suu Kyi, the gathering in front of her residence has now increased to up to 6,000. The gathering had only 100 people on the day after her release. Among the people gathering outside her gate, most are intellectuals, monks, nuns and foreigners.

Assistance to the political prisoners [subhead]

The NLD has established a Social Aid Committee and provides assistance to political prisoners.

(Information provided by sources in Rangoon and the NCGUB [National Coalition Government of the Union of Burma])

Brunei, Malaysia & Singapore

Malaysia

Navy Detains SRV Trawlers for Illegal Fishing

BK2512093395 Kuala Lumpur RTM Television
Network 3 in Malay 0530 GMT 25 Dec 95

[FBIS Translated Text] The Royal Malaysian Navy, the TLDM, has detained 30 Vietnamese fishermen caught trespassing in Malaysian territorial waters. Johari Ramli, Terengganu state director of fisheries, said that three trawlers were also confiscated. He said the Vietnamese fishermen were detained on Wednesday [20 December] during operations against illegal fishing in the waters off the Terengganu coast. The Vietnamese fishermen, aged 14-39, had anchored their trawlers at (?Keinggang).

King Returns From Five-Day SRV State Visit

BK2312142995 Kuala Lumpur RTM Television
Network 1 in Malay 1200 GMT 23 Dec 95

[FBIS Translated Text] The Yang di-Pertuan Agong [paramount leader] Tuanku Ja'afar and his consort Tuanku Najihah returned to Kuala Lumpur safely this afternoon after a five-day state visit to Vietnam.

Mr. Ong Ka Ting, deputy minister of home affairs; and Tan Sri Clifford Herbert, secretary general to the Finance Ministry, were among the important figures who welcomed the royal couple at the airport.

This is the first visit by the Yang di-Pertuan Agong, as Malaysia's head of state, to Vietnam at the invitation of President Le Duc Anh.

Datuk Leo Moggie, minister of energy, telecommunications and post, was among the royal entourage.

During the visit, Tuanku Ja'afar visited several outstanding places in Ho Chi Minh City and Hanoi.

Government To Release Thai Fishermen on Payment

BK2312125095 Kuala Lumpur BERITA HARIAN in Malay 23 Dec 95

[Unattributed report — received via Internet]

[FBIS Translated Excerpt] Shah Alam, Friday — Malaysia has agreed to release the three Thai fishermen who had been detained by the Royal Malaysian Navy (TLDM) for fishing illegally in its waters on 5 November, Prime Minister Datuk Sri Dr. Mahathir Mohamed said.

Dr. Mahathir said that the accord was reached during recent talks with his Thai counterpart Banhan Sinlapacha in Bangkok.

The three Thai fishermen will only be released with their trawler if the imposed fines are paid up.

"Thailand has agreed to pay their fines and we will release the fishermen," he said to journalists after launching the Nusantara Silat [traditional art of self defense] Festival here, today.

In the incident two fishermen from a Thai fishing trawler were killed when a Malaysian Navy patrol vessel KD [royal vessel] Musytari fired warning shots at the 20-ton trawler at 175 nautical miles off the coast of Kuantan. The trawler was said to have encroached into Malaysian waters and was catching fish illegally there.

A Thai Embassy spokesman has said it is understood that the Malaysian Government is ready to release two members of the crew who are under 18 years old using an Immigration Department regulation, but it will continue to detain the other three. They will be brought to court to face charges.

During the talks between Dr. Mahathir and Banhan, the two leaders agreed to establish a committee to look into measures to establish cooperation in the fishing industry between the two countries to avoid recurrence of such incidents.

Dr. Mahathir said the Thai fishermen are interested in carrying out fishing activities in Malaysian waters.

"We agree to their wish under the condition that they establish companies here or set up a cooperation to deal

with Malaysian firms. We had a similar pact previously, but unfortunately the Thai fishermen caught the fish in Malaysian waters and then landed their catch in Thailand.

"Well, this is not their fault entirely because we do not have cold rooms for them. So all this should be resolved amicably," Dr. Mahathir said.

He said that he already mentioned the problem to Thai leaders and they agreed. [passage omitted]

Government Agrees to NATO Request for Soldiers

BK2412113695 Kuala Lumpur SUNDAY STAR in English 24 Dec 95

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Seremban — Malaysia will comply with the North Atlantic Treaty Organisation (NATO) request for 1,553 soldiers to participate in the Implementation Force (I-FOR) in Bosnia- Herzegovina.

Defence Minister Datuk Syed Hamid Albar said the Cabinet had agreed the request in principle, and would soon dispatch a confirmation letter to NATO.

"The letter will be sent by tomorrow to confirm our country's participation," Syed Hamid said after launching the state UMNO [United Malays National Organization] Youth Solidarity Night: Development of Muslims in Bosnia and Chechnya at Wisma Negri [state building] here on Friday.

He said the present Malaysian force serving under the United Nations Protection Force (UNPROFOR), now known as Malaysian Battalion, would be renamed the Malaysian Contingent or MalCon.

Syed Hamid, who is also an UMNO supreme council member, said the ministry was identifying the division that would be sent to Bosnia and also the appropriate type of equipment.

He said the new role of being peace implementors would be totally different from that of a peacekeeping force.

He also said MalCon I [one] would be operating in Bosnia- Herzegovina as soon as NATO had established its command in the Balkan states.

He said other Organisation of Islamic countries like Pakistan, Bangladesh, Morocco and Egypt had also agreed to send their soldiers to Bosnia.

Syed Hamid said the government was also studying a UN request for personnel to become part of the International Police Task Force for Bosnia.

Assault Rifle Sales to Foreigners Allowed

BK2312102995 Kuala Lumpur THE STAR in English
23 Dec 95

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — The government will allow the sale of the locally-made Steyr assault rifle to other countries.

Prime Minister Datuk Sri Dr. Mahathir Mohamed said although the weapon originated in Austria, its local manufacturer had the right to sell it.

"If they (other countries) want it, they can buy it from Austria, but what is wrong if we too sell it?"

"When we buy (weapons) from other countries, they profit, so let us also make some profit (from such sales)," he said.

Meanwhile, an official of SME Technologies Sdn Bhd [company limited] said the company had been manufacturing the rifle since 1989 for the armed forces.

He said the Defence Ministry was negotiating selling the rifle to other countries, including the Philippines, Cambodia, Thailand and Pakistan.

"But as far as we are concerned, there is no official agreement yet to sell to these countries," said the official.

Trade Deficit Widens to 8 Billion Ringgit

BK2312134895 Kuala Lumpur THE STAR in English
23 Dec 95

[BERNAMA report — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — Malaysia's balance of trade for the first nine months of the year widened by RM [Malaysian ringgit] 6.7 billion to RM8.2 billion compared with RM1.5 billion previously.

The Statistics Department said yesterday the cumulative trade deficit for the period was due to higher growth in imports of RM30.3 billion (26.9 per cent) compared to exports of RM23.6 billion (21.2 per cent).

The purchase of 13 commercial aircraft amounting to RM2.4 billion and nine cargo ships (including a liquefied natural gas carrier) with a combined value of RM1.2 billion partly contributed to the deficit, the department in its External Trade Summary for September 1995, released yesterday.

In September, Malaysia incurred a trade deficit of RM254.2 million, down sharply from RM1.1 billion in August. The deficit also was lower than the RM464.8 million recorded in September 1994.

Exports for the first nine months amounted to RM134.8 billion, up RM23.6 billion or 21.2 per cent compared with RM111.2 billion in 1994.

Thermionic valves and tubes and photocells remained the country's largest export earner, netting receipts of RM23.3 billion or 17.3 per cent of the total. Export earnings were 31.1 per cent or RM5.5 billion higher compared with the same period in 1994.

This was followed by palm oil, rubber, petroleum products, articles of apparel and clothing accessories, hot-briquetted iron and crude petroleum.

Malaysia mainly exported to Singapore, which took in RM27.6 billion worth of goods, the United States (RM27.5 billion), Japan (RM17.0 billion), Hong Kong (RM7.1 billion), Britain (RM5.5 billion), Thailand (RM5.1 billion), Germany (RM4.4 billion), Taiwan (RM4.1 billion) and China (RM3.7 billion).

During the review period, imports rose 26.9 per cent to RM143.0 billion from RM112.7 billion previously. The biggest contributor to the increase was machinery and transport equipment with an import value of RM85.8 billion or 60 per cent of the total.

Among the main import components under machinery and transport equipment which showed significant rises were thermionic valves and tubes and photocells, up RM8.2 billion or 40.7 per cent, metalworking machinery and parts, motor cars and other motor vehicles, flat-rolled products, telecommunications equipment and parts, and parts and accessories for office machines.

Malaysia imported mainly from Japan (RM39.3 billion), the United States (RM22.9 billion), Singapore (RM17.8 billion), Taiwan (RM7.3 billion), Germany (RM6.6 billion), South Korea (RM5.8 billion), France (RM4.3 billion), Britain (RM4.2 billion) and Thailand (RM3.8 billion).

Collectively, these countries contributed 78.1 per cent to total imports, with Japan, the United States and Singapore alone accounting for 55.9 per cent of the total.

Steps Taken To Reduce Current Account Deficit

BK2212131195 Kuala Lumpur THE STAR in English
22 Dec 95

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — The government has taken steps to reduce the country's current accounts deficit and the situation should improve from next year, Datuk Sri Dr Mahathir Mohamed said.

The prime minister said the government had taken measures to tackle the balance of payment problem including stopping imports of unnecessary machinery.

He was speaking to reporters after launching the Menara Lion building yesterday.

The country's current account deficit was reported to be RM [Malaysian ringgit] 18.1 billion as of October this year.

Dr Mahathir denied that the country was facing an overheating economy saying certain quarters had alleged that the economy was overheating because of inflation.

"And when we took care of that, they are now pointing fingers at the balance of payment as evidence."

Dr Mahathir said the deficit came about merely because attention was not paid to exports and imports.

"However there is no need to reduce the economic growth rate of the country in order to bring down the deficit.

What we need to do is to increase exports and decrease our imports.

He said the government was targeting a high growth rate next year, adding the growth rate this year was 9.6 per cent compared to 8.6 per cent in 1994.

Dr Mahathir said the government had decided to stop the import of earth moving equipment.

"We can see a large number of secondhand earth moving equipment along the roadside. Yet they still import brand new equipment," he said.

Men Involved in 'Deviationist Teaching' Arrested

BK2512063595 Kuala Lumpur NEW STRAITS TIMES in English 22 Dec 95 p 8

[FBIS Transcribed Text] Tawau, Thurs. — Sixteen men, including two foreigners, were arrested by enforcement officers of the Sabah Islamic Council here for alleged involvement in deviationist teaching.

Council officer Losman Linjal Alhafiz said they were picked up from an unnumbered house at Kampong Jawa Lanut here about 9pm [1300 GMT] last night and would be charged at the Syariah [Islamic religious law] Court.

Losman, who headed the raiding party, said the 16 men, aged between 35 and 63, were attending a prayer session in the house when they were arrested.

He said the group was believed to have 40 members and were known to perform prayers at 8pm every Thursday and Friday.

Singapore

President Ong 'Does Not Require' More Treatment

BK2212123395 Singapore THE STRAITS TIMES in English 22 Dec 95 p 1

[FBIS Transcribed Text] President Ong Teng Cheong has responded well to the radiotherapy treatment for his lymphoma and does not require further treatment for now, a statement from the Prime Minister's Office said yesterday.

It noted that he was evaluated at the National University Hospital and Stanford University Medical Centre in the United States, after he completed the five-week radio therapy treatment here earlier this month.

His physicians were pleased with the results of his tests, said the statement.

"No further treatment is required as of now. The president has been advised to maintain a light schedule while he continues his recuperation."

Mr Ong, 59, had begun the radiotherapy treatment early last month following a visit to the United States for medical consultations after it was discovered that the low-grade lymphoma between his brain and skull had recurred.

He went to the Stanford University Medical Centre early this week for comparative post-treatment evaluation.

In 1992 when his cancer was first diagnosed, no treatment was recommended as it had been slow-growing.

Cambodia

Mak Ben on Objectives of PGNUNS for 1996

BK2612123395 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 25 Dec 95

[Interview with Mak Ben, "minister in charge of rural areas, agriculture, and water conservancy and representative of the Provisional Government of National Union and National Salvation," by an unidentified station correspondent on 25 December; place not given — recorded]

[FBIS Translated Text] [Correspondent] Greetings, Your Excellency. What did the Provisional Government of National Union and National Salvation [PGNUNS] discuss during its 25 December meeting?

[Mak] Yes. Our PGNUNS cabinet met on Monday, 25 December, which is the 17th anniversary of the race-exterminating war of aggression launched by communist Vietnam against the Cambodian nation and people. This meeting was held before the end of 1995, so

the cabinet examined the year-end situation concerning the nation- betraying and out-and-out communist Vietnamese lackey two-headed regime, which has collapsed and decayed and is antagonizing all fields and sectors, be it military, political, economic, or social. Its inner circle has also cracked.

[Correspondent] Yes. Since 25 December 1978, the communist Vietnamese aggressors have used their puppet regime as a smokescreen, or tools, to serve their Cambodian race-exterminating and Cambodia-swallowing war of aggression. Has the communist Vietnamese-installed regime undergone any change since then?

[Mak] Is the two-headed regime different from the regime that communist Vietnam installed in 1979? No. Not at all. The so-called Cambodian People's Republic that communist Vietnam installed since 1979 remains intact; nothing has been touched or changed.

Actually, the two-heads now have only one head, the head of communist Vietnam. That is, communist Vietnam and its puppets, with Hun Sen as ringleader, are monopolistic, dictatorial, and fascist in all fields and sectors, be it military, police, legislative, or executive and be it the all-level civilian administration. Communist Vietnam and its puppets have assumed a monopolistic role and have total control from Phnom Penh down to the provinces, districts, communes, and villages. They have exerted their monopolistic control through the Communist Party of Vietnam Committee under the direct responsibility of [Vietnamese President] Le Duc Anh and of the puppet communist party with Hun Sen as the chieftain of the goons. As for the constitution, the Kingdom of Cambodia, democracy, and so on, they exist only on paper because power resides only in the butts of communist Vietnam's cannons and rifles and in those of its puppets. Communist Vietnam and the communist Vietnamese puppets, including Hun Sen, are fascist toward the Cambodian nation and the Cambodian people of all strata. They are fascist toward students, journalists, politicians, political personalities, and political parties. They have also constantly been acting in a dictatorial and fascist manner toward the king.

All in all, the present two-headed regime led by Hun Sen, the ringleader of the goons, is a nation-betraying, nation-selling, fascist, most corrupt, and out-and-out communist Vietnamese lackey regime.

[Correspondent] What has been affected by the two-heads' nation-betraying, nation-selling, and nation-killing actions in 1995? To what extent have the actions affected the survival of our Cambodian nation and people?

[Mak] In 1995, the two-heads, being nation-betraying and nation-selling out-and-out lackeys of communist Vietnam in nature, have continued to massacre the nation and people, sell the nation, and despoil and ransack the nation and people in a complete manner.

For instance, first, the two-heads continued the race-exterminating communist Vietnamese war to kill the nation and people and ruin and plunge their economy into an abyss. They do not want Cambodia to have peace or national reconciliation. They continue to force the people to serve as soldiers and militiamen to fight and die in their place.

Second, the two-heads killed Cambodia's territorial integrity by recognizing the treaties and agreements arranged by communist Vietnam for its puppets to sign allowing Vietnam to seize tens of thousands of square kilometers of the Cambodian territory in the east.

Third, the two-heads have allowed the ethnic Vietnamese to continue flowing into Cambodia. The Vietnamese, so far numbering over 4 million, have come and wolfed down and swallowed Cambodia in all fields and sectors. The two-heads have permitted tens or even hundreds of thousands of Vietnamese to come in and out across the border every day to plunder, on a permanent basis, the natural resources of our nation and people. They have openly allowed the Vietnamese to enter Cambodia through Chrey Thom and Tonle Basak [Kandal Province] and through other areas along the thousands of kilometers of land and maritime borders. The two-heads have forged immigration and nationalities laws to rubber stamp the presence of over 4 million Vietnamese in Cambodia, enabling them to nip at to turn the country into a second Kampuchea Kraom [ancient Cambodian territory lost to Vietnam in the 17th century]. The two-heads have allowed Le Duc Anh, the chief assassin of the race-exterminating communist Vietnamese war, to come to Phnom Penh to legalize the communist Vietnamese war of aggression. They have also allowed the Vietnamese to continue to wolf down and swallow Cambodia.

Fourth, the two-heads have impoverished rural areas and created a great famine to starve people throughout the country — 7 million people among 9 million are starving. Great misery has been caused by the devastating communist Vietnamese war as well as the two-headed administration; communist Vietnam; and the over 4 million Vietnamese who are in the process of plundering everything, including water, land, rice fields, orchards, rivers, lakes, and forests. They have gone so far as to confiscate people's plots of land and houses. The people have nothing left to make a living; nothing left to fill their stomachs.

Fifth, who has been practicing massive corruption, robbing the nation and people, committing embezzlement in a fascist manner with impunity, and stealing everything systematically? It is communist Vietnam; the over 4 million Vietnamese; and the all-level out-and-out communist Vietnamese lackey two-headed administration, especially the communist Vietnamese puppet chieftains with Hun Sen as the ringleader of the goons.

Sixth, the two-heads have torn the flesh of the nation to auction it in a devastating manner. They have sold several million hectares of forests as well as seas and islands to unscrupulous foreign merchants, permitting the latter to occupy the territory, destroy forests by felling logs, and plunder the natural resources of the nation and people for years — up to 70, 80, or 90 years.

The few examples I have just presented clearly show that the actions committed systematically by the two-heads in 1995 have seriously affected the survival of the Cambodian nation, people, and race. Cambodia is being turned into a second Kampuchea Kraom.

[Correspondent] What are the objectives of the PG-NUNS in 1996?

[Mak] Talking about political objectives and tasks for 1996, we cannot afford to ignore the political objectives and tasks of our entire nation and people. The objective of the struggle conducted by our nation and people against the war that has been waged by the communist Vietnamese aggressors and their out-and-out lackeys, joined later by the alliance and the two-heads, is to have an independent, unified, sovereign, peaceful, and neutral Cambodia endowed with its territorial integrity according to the map recognized by the international community before 1970. This is the objective and need of our entire nation and people from all strata.

To achieve the objective, what are the major tasks of our nation and people?

First, the entire Cambodian nation and people should unite and fight to end the communist Vietnamese war, thus allowing Cambodia to recover genuine peace.

Second, the communist Vietnamese puppet regime that communist Vietnam installed in 1979 must be dissolved and a Cambodian regime in which all Cambodian factions and political parties take part should be formed. The five most traitorous ringleaders — Hun Sen, Chea Sim, Sar Kheng, Heng Samrin, and Tie Banh — must be excluded. Why? Because their crimes are so serious. Over the past 17 years, they have colluded with communist Vietnam to massacre our Cambodian nation, people, and race, making them vanish almost completely.

Third, the over 4 million Vietnamese — who are race-extminating invading and annexing forces — must be removed from Cambodia and sent back to Vietnam. Our PGNUNS has already drafted nationality and immigration laws for implementation countrywide. We will strictly enforce the two laws as of 1 January 1996.

Fourth, all treaties and agreements concluded with the communist Vietnamese aggressors since 1979 must be considered null and void. Treaties and agreements signed between the communist Vietnamese puppets and others in violation of Cambodia's sovereignty must also be nullified. All agreements and treaties made by unscrupulous foreign merchants in connivance with the two-heads to auction seas and islands in Kompong Som and land and forests on both sides of Route 4, on both sides of the upper Mekong River, and in the northeastern part of Cambodia are regraded as the international theft of Cambodian territory. The Cambodian nation and people completely reject them and consider them null and void.

These are the political tasks of the entire nation and people and all of us. These tasks directly concern the independence, national unity, sovereignty, peace, neutrality, and territorial integrity that the Cambodian nation and people have painstakingly pursued. This is the sacred right of all countries and peoples as emphatically enshrined in the UN Charter and international law.

Indonesia

Suharto Disputes Rumors on Wife's Commissions

BK2412113395 Jakarta ANTARA in Indonesian
1055 GMT 22 Dec 95

[FBIS Translated Excerpt] Surabaya, 22 Dec (ANTARA) — President Suharto disputed rumors that his residence at Cendana Road in Central Jakarta, is the headquarters that determines commissions for development projects.

"There are accusations that Cendana is the headquarters that determines commissions. That is not true. In our marriage, we allow God to determine our fate," the head of state said at a dialogue session in conjunction with the commemoration of Mothers Day in Mojokerto subdistrict, East Java, on Friday.

Suharto disputed rumors that his wife, Madame Tien Suharto, has received commissions from heart diseases and children hospitals, and agricultural and tourism projects.

"To be frank, when Taman Mini [Beautiful Indonesia in Miniature Park] was built, Madame Tien was not called Tien Suharto, but was known as Tien percent. Tien is

ten, meaning that she received 10 percent commission for every project. That is not true," Suharto said.

The head of state said even though Madame Tien initiated several large projects, it did not mean that she had a lot of money.

"It was not her own money, she was only calling on others who agree with her ideas and are willing to participate in the projects," Suharto said. He was in the company of Madame Tien; Mien Sugandini, minister of state for women's affairs; Suyudi, minister of health; and Basofi Sudirman, East Java provincial governor. [passage omitted]

Suharto also said: "I always reminded my children that they should not place themselves in a position of relatives or children of the president. The presidency lasts only five years; when the five-year term is over, they would merely be known as the children of Suharto and Mrs. Suharto, not the president's children any more".

He added: "That is why until now, thank God, none of them are making themselves appear superb because of their arrogance for being the president's children. [passage omitted]

Minister Stresses Need To 'Cool Down' Economy

BK2612102895 Jakarta THE JAKARTA POST
in English 22 Dec 95 p 1

[FBIS Transcribed Text] Jakarta (JP) — There is agreement in the government on the need to cool down the country's economy, Minister of Finance Mar'ie Muhammad said yesterday.

Mar'ie said that all ministers responsible for economic sectors will be working hand in hand to slow the overheating of the economy without sacrificing the growth.

Mar'ie said that, in spite of the planned cooling down, the government would maintain an annual economic growth rate of above seven percent to help improve the prosperity of the people.

"A high rate of economic growth is important... in order to provide more employment opportunities," Mar'ie said.

He was speaking after launching, together with Minister of Tourism, Post and Telecommunications Joop Ave the first-day covers of stamps specially issued to mark the 100th anniversary of state-owned Bank Rakyat Indonesia [Indonesian People's Bank].

Mar'ie said that the economic ministers would not take any drastic measures in their efforts to cool down the economy.

During talks last week with Vietnamese Prime Minister Vo Van Kiet in Bangkok, Thailand, President Suharto acknowledged that Indonesia's economy is currently overheating, in a situation reminiscent of 1986, when the government devaluated the rupiah by 45 percent against the U.S. dollar.

Suharto said that cooling down an overheating economy is much more difficult than encouraging economic activities for high growth.

Concurring with Suharto's view, State Minister for National Development Planning Ginanjar Kartasasmita said on Tuesday that economic growth would continue by itself, especially given government policies which provide an attractive business climate.

Cooling down an overheating economy, on the other hand, needs concerted efforts on the part of both the government and the private sector, Ginanjar told a seminar.

Ginanjar said that economic overheating had not just happened this year or last year, but had been a "chronic problem" in Indonesia.

He said he preferred to lay most of the blame for the overheating on the continuing high current account deficit rather than the high inflation rate.

He said that inflation rate, though still high, has been tending downward during the past three years: from 9.8 percent in 1993 to 9.4 percent last year and to a projected 8.5 percent this year.

By contrast the current account deficit has grown over the past few years and is expected to increase further next year to more than three percent of the Indonesia's gross domestic product of some U.S.\$165 billion.

Mar'ie affirmed yesterday that the government would continue its prudent macroeconomic policies and further deregulate the country's economy to provide a healthier basis for growth.

Article Reviews 1995 Economic Growth

BK2612133095 Jakarta THE JAKARTA POST
in English 22 Dec 95 p 5

[Article by Rikza Abdullah: "Clouded By High Inflation Rate, Economy Grows Over 7 Percent"]

[FBIS Transcribed Text] Jakarta (JP) — Indonesia's economy, spurred by increasing investment and demand, has grown at a rate of over seven percent this year.

However, economic growth has been overshadowed by a high inflation rate and a swelling current account deficit.

Domestic demand for goods and services was pushed upwards at the beginning of this year, when the National Logistics Agency (Bulog) increased by 11 percent its rice price paid to village cooperatives, the institutions assigned by the government to collect rice from farmers.

The boosted purchasing power of farmers was strengthened in April by the 29.7-percent increase in the ceiling price of sugar.

The government policy requiring employers to raise minimum wages by between 5 percent and 34 percent in the same month also increased the domestic demand for goods and services.

Stronger demand was also fueled by increased spending by the government and private sector.

The government's net domestic spending rose by 15.4 percent to Rp [rupiah] 60.12 trillion (U.S.\$26.1 billion) this fiscal year from Rp 52.09 trillion in 1994-1995.

Private sector spending, partly indicated in the domestic and foreign investment commitments approved by the government, also show an upward trend.

According to the Investment Coordinating Board (BKPM), the amount of domestic investment commitments approved by the government, which increased from Rp 39.5 trillion in 1993 to Rp 53.3 trillion in 1994, reached Rp 66.51 trillion during the first 11 months of this year.

Foreign investment commitments surged from \$8.14 billion in 1993 to \$23.72 billion in 1994 and reached \$39.35 billion for the January-November period of this year.

BKPM reported that the realization of investment commitments was 43.2 percent for domestic investment projects and at 48.4 percent for foreign projects.

BKPM's figures recorded the development of non-oil and non-financial projects, which were comprised of both equities and loans.

Besides the direct investments reported by the BKPM Indonesia also recorded additional capitalization of Rp 5.5 trillion this year from the issuance of shares by 22 companies through the capital market and another Rp 3.1 trillion from the rights issues of 17 firms already listed on the market.

This year's increasing demand can also be seen in the growth of the country's money supply — comprised of currencies, demand deposits and quasi-money — which grew 15.79 percent from Rp 174.51 trillion as of the end of 1994 to Rp 202.08 trillion as of August, according to Bank Indonesia the central bank.

Strong demand contributed substantially to the high growth of the country's economy this year.

Chairman of the Central Bureau of Statistics (BPS), Sugito, says that the economy, in terms of goods and services produced domestically, is likely to grow at a rate of more than 7 percent this year.

Last year, Indonesia recorded an economic growth rate of 7.34 percent.

Senior economist Sumitro Joyohadikusumo has estimated that the economy, calculated on the basis of the constant 1993 prices, grew by 7.3 percent this year.

In August, the government revised its way of calculating the country's gross domestic product (GDP) by using the constant 1993 prices as a basis, instead of the 1983 prices used in the past. The revision resulted an average economic growth rate of 8.3 percent per annum during the Fifth Five-Year Development Plan period, Repelita V (1989-1994), compared to an average of 6.9 percent, if based on 1983 prices.

According to Sugito, the BPS started using 1993 prices because of the contribution of the manufacturing sector to the country's economy, which has grown significantly since 1983, unlike the contribution of agriculture, which has been on the decline.

The contribution of the manufacturing sector to the economy increased from 12.7 percent in 1983 to 22.3 percent in 1993, while the contribution of agriculture decreased from 22.9 percent to 17.9 percent.

Merrill Lynch, a U.S. securities company, predicts that Indonesia's economy will grow by 7.7 percent this year, far higher than the government's revised growth projection of 7.1 percent per annum for the current Repelita VI period which began in April 1994.

President Suharto announced in his state address in August that the government was revising its economic growth target from the original annual rate of 6.2 percent to 7.1 percent for the Repelita VI period.

In line with the revision Indonesia's per capita income is also expected to reach \$1,280 by 1999, compared to the original target of \$1,020. Indonesia's 1994 per capita income of \$919 ranks it among lower to middle-income countries.

The Econit [Economic Unit] Advisory Group, based on the revised calculation methods, reported that the country's economy is growing at a rate of 7.5 percent this year due to strong support from the construction, infrastructure and manufacturing industries.

The construction industry is estimated to expand by 14.2 percent this year, the infrastructure industry —

comprised of electricity, gas and water — by 13 percent and the manufacturing industry by 11 percent.

The finance, trade and hotel sectors are growing at a rate of more than 9 percent this year, the transportation sector 6.5 percent, the mining industry more than 5 percent and the service sector 3 percent, while the agriculture sector is growing by 0.2 percent only.

However, this year's high economic growth has been overshadowed by an inflation rate of close to 10 percent.

The inflation rate reached 4.73 percent during the first four months of this year due to increases in the government-set prices for rice, sugar and cement, heavy rains and floods, which damaged roads and bridges in various provinces, and the increasing seasonal demand for goods prior to the Id al-Fitr holiday.

The inflation rate was recorded at 1.16 percent in January and 1.31 percent in February before falling to 0.57 percent in March. It rose to this year's highest level of 1.69 percent in April, when the government raised the reference prices of cement by an average of 40 percent and the producer price of sugar by 29 percent.

The inflation rate was recorded at less than 1 percent in each of the following months — 0.49 percent in May, 0.16 percent in June, 0.71 percent in July, 0.32 percent in August, 0.38 percent in September, 0.64 percent in October and 0.42 percent in November — after the government took several steps, including the importation of more rice and crude palm oil to allow Bulog to cushion price fluctuations.

This year's high inflation rate, combined with a heavy load of bad debts, forced banks to raise their deposit rates from around 13 percent per annum last year to about 16 percent this year. The lending rates were about four points to five points higher than the deposit rates.

According to Bank Indonesia, the level of bad debts in the country's commercial banks rose to 3.97 percent of their outstanding credits of Rp 188.94 trillion as of January from 3.88 percent as of September 1994.

The level of bad debts increased further to 4.24 percent of the banks' outstanding credits as of April.

From the total bad loans of Rp 9.78 trillion as of April, Rp 7 trillion was incurred by seven state-owned banks. The state-owned Bank Pembangunan Indonesia (Bapindo) [Indonesian Development Bank] alone held Rp 3 trillion in bad credits as of April.

High interest rates have also driven companies, particularly big and publicly listed ones, to look for loans from overseas banks and other financial institutions offering lower interest rates.

In turn, the increasing inflow of overseas funds prompted the government, in an attempt to slow down the growth of the money supply and to cool down the overheating economy, to issue a policy earlier this month requiring banks to increase their minimum reserves from the current level of 2 percent of total assets to 3 percent by February 1996.

The high economic growth rate also has been overshadowed by the surging current account deficit.

Sumitro predicts that the country's current account deficit, which rose from \$2 billion in 1993 to \$3.4 billion in 1994, may soar to \$6 billion this year and during the next few years.

Econit even estimates that the current account deficit will likely increase to \$6.4 billion this year and to \$7 billion in 1996.

Both the projections of Sumitro and Econit exceed the government's target of limiting the current account deficit to \$4 billion this 1995/1996 fiscal year.

The main reason for the deficit increase was the amount of imports, which grew faster than the country's exports.

Export growth, according to BPS, increased by only 8.7 percent to \$40.05 billion in 1994 from \$36.82 billion in 1993 while imports rose 12.9 percent to \$31.98 billion from \$28.32 billion. During the first eight months of this year, exports increased by only 13.5 percent to \$18.97 billion from \$25.51 billion in the corresponding period of 1994, while imports rose 31.7 percent to \$26.53 billion from \$20.15 billion.

The gap between the growth rates of imports and exports widened in May, when a deregulatory package lowered tariffs on thousands of trade items and reduced some non-tariff barriers.

In August, for example exports grew by only 10.05 percent to \$3.95 billion from \$3.59 billion in the same month of 1994, while imports increased by 38.16 percent to \$3.8 billion from \$2.75 billion.

The deregulatory measures covered five main sectors — import duties and surcharges import restrictions, investment, business licensing procedures and the trading of goods in export processing zones.

Besides lowering tariffs on 6,030 items, or 64.16 percent of the 9,398 commodities on the government's tariff list, the measure also introduced schedules on tariff reductions between 1995 and 2003, the deadline for trade liberalization among members of the Association of Southeast Asian Nations (ASEAN).

ASEAN groups Brunei, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam.

The deregulatory package also removed restrictions on the importation of 81 products which previously could be imported only by registered importers, producer importers and Bulog.

The measure also significantly relaxed investment requirements, as illustrated by the opening up of 10 industries previously classified on the government's Negative Investment List.

Analysts have also been concerned with the deepening current account deficit, which could endanger the balance of payments if the net inflow of investments into the country is not able to compensate.

Econit estimates that the net inflow of investments will likely reach only \$4.7 billion in 1995.

According to the government's budget plan which is based on an assumption that exports will rise 11.5 percent to \$45.45 billion in 1995/1996 from \$40.76 billion in 1994/1995, Indonesia is projected to gain a surplus of \$1.8 billion in its balance of payments in 1995/1996 in spite of its current account deficit of \$4.09 billion.

Analysts say that the faster growth of imports than exports has been caused by the sharp increase of capital-good imports by new investors, while Indonesian products are becoming less competitive on the world market due to excessive levies on businesses and an overvalued rupiah.

The rupiah, calculated on the basis of purchasing power parity, is now over-valued by 16 percent, according to Econit.

However, the government's partial sale of its shares in its domestic telecommunications company PT Telkom and tin mining firm PT Tambang Timah on overseas stock exchanges will help ease the country's balance of payments.

Minister of Finance Mar'ie Muhammad said in the middle of this month that Telkom's overseas offering resulted in \$605.95 million in revenues for the government, and that Tambang Timah's offering abroad raised another \$154.72 million.

Besides the foreign exchange revenues for the government, the domestic sale of shares gave Telkom a revenue of Rp 1.85 trillion and Tambang Timah Rp 140.5 billion. The government also earned Rp 437.32 billion from the domestic sales of Telkom shares.

Mar'ie said the government's total net revenues of \$760.67 million from the two firms' overseas offerings will be used to repay its high-interest debts to the World Bank and the Asian Development Bank.

The government's total outstanding foreign debt declined significantly to \$61.3 billion as of September, from \$64 billion as of May.

Based on the fact that the government, which has required banks to raise minimum reserve levels by February, is trying to limit money supply expansion, the country's economic growth will likely slow down in 1996.

Econit sees the economy growing by 7.3 percent in 1996, compared to 7.5 percent estimated for this year.

The government policies to allow rice prices to rise by about 10 percent, to raise minimum wages by up to 50 percent next April and to raise transportation fares and electricity tariffs will likely force the country's inflation rate to reach a level of close to 10 percent in 1996.

Laos

Minister Sends Greetings to SRV Counterpart

BK2212113795 Vientiane Vinthayou Hengsat Radio Network in Lao 0430 GMT 22 Dec 95

[Message of greetings from National Defense Minister Lieutenant General Choummali Sai-gnason to SRV National Defense Minister General Doan Khue on the 51st anniversary of Vietnam People's Army; dated 18 December]

[FBIS Translated Text] Respected comrade general, on the occasion of the 51st anniversary of the Vietnam People's Army [VPA], on behalf of cadres and combatants in the entire Lao People's Army [LPA] and in my own name, I would like to convey warm salutations and greetings, solidarity and affection of genuine comradeship and fraternity, and best wishes to you, comrade, and through you, to cadres and combatants in the entire VPA — close comrades and brothers of our Lao Army and people.

Throughout the past 51 years, under the talented and clear-sighted leadership of the former Indochinese Communist Party or the present Communist Party of Vietnam [CPV], following the sacred instructions of President Ho Chi Minh, beloved and respected leader, the fraternal Vietnamese Army and people have always promoted and expanded their patriotic spirit, surmounted various obstacles and difficulties, and defeated the imperialist aggressors, thus systematically winning victories and gloriously fulfilling their historic tasks. They have recorded brilliant achievements in the national liberation cause as well as the cause of securely defending and building socialism, thereby leading the country to usher in a new era — an era of independence, unification, and social progress. Our

LPA and multiethnic Lao people are elated over the great, firm, and all-around achievements won by the Vietnamese Army and people over the past 51 years, and regard those achievements as our own.

Over the past half a century, our two parties, two states, and two armies have stood shoulder to shoulder, shared weal and woe and every grain of rice and vegetable, and carried out the struggle to gain independence and freedom for our respective countries. Amid the joy over the said achievements, our Lao Army and multiethnic people would like to express great gratitude to the party, government, army, and fraternal people of Vietnam for their support and assistance to the Lao revolution in the past as well as the support and assistance to the Lao national defense and construction cause in the present. The LPA and multiethnic Lao people pledge to do everything to safeguard, promote, expand, flourish, and further strengthen the friendship, special solidarity, and all-round cooperation between the two nations and two armies to maintain the revolutionary fruits and for prosperity and happiness of the peoples of the two countries — Vietnam and Laos.

I am convinced that under the beacon of the resolution of the seventh CPV congress and with the profound patriotic spirit and the tradition of heroic struggle, the fraternal Vietnamese Army and people will be able to win new, ever greater success in carrying out the comprehensive renovation as adopted by the CPV in order to build Vietnam an independent, strong country with freedom, wealthy people, and civilized society, thus positively contributing to the safeguarding of peace in this region and the world.

On this glorious occasion, I wish for the everlasting of the friendship, special solidarity, and all-around cooperation between the two countries and two armies of Laos and Vietnam. I wish comrade minister good health, happiness, and success in your lofty and honorable cause.

Philippines

Government Lifts Ban on Westinghouse

*BK2512092995 Manila MANILA BULLETIN
in English 19 Dec 95 p B-1*

[Report by Leonora H. Walet]

[FBIS Transcribed Text] The nine-man board of the state-owned National Power Corp. (Napocor) last Friday [15 December] approved a resolution which effectively lifted the ban against U.S. engineering firm Westinghouse Electric Co.

The resolution came following a decision of the national government to enter into \$100 million out-of-court settlement with the U.S. contractor. Westinghouse has

been banned from doing business in the country in 1993, as a result of a dispute between the government and the company over the construction of a nuclear facility in Bataan.

With the lifting of the ban, local companies including the state-owned utility can quote Westinghouse equipment in future power projects, including in the slated rebidding of the 1,200 megawatt (MW) greenfield gas-fired power plant in Iligan, Batangas.

Energy Secretary Francisco Viray said the resolution allowing for the lifting of the ban will be effective immediately.

According to the energy chief, the resolution, in effect, also allows Consolidated Electric Power Asia Ltd. (CEPA) to bid for the 1,200-MW power plant rebidding using the controversial 501-F gas turbine, an equipment jointly developed by Westinghouse and Mitsubishi Heavy Industries Ltd. (MHI).

CEPA's bid for the gas project was rejected by the power firm after the company failed to convince Napocor that MHI, its partner, has already severed ties with the blacklisted Westinghouse.

In its bid, CEPA has insisted to use the 501-F turbine, despite a standing provision in the terms of reference prepared by Napocor for the project seeking to disqualify bids bearing a Westinghouse equipment.

While CEPA was able to get the support of Congress which ruled on the appropriateness of its bid, the Napocor insisted on rebidding the project, the date of which has yet to be settled.

With the ban already lifted, CEPA and other companies that will participate in the rebidding, will be allowed to use the 501-F turbine for the \$1.2 billion power project, the biggest so far by the Napocor.

According to Viray, the terms of reference for the rebidding of the build-operate-transfer (BOT) contract are in the process of being finalized by the Napocor bidding and contracts committee. He said the final version will be distributed to the companies that will participate in the rebidding.

With the resolution of the Westinghouse issue, Viray said the government will now be able to decide on the fate of the mothballed nuclear power facility in Bataan.

Three Suspected Communist Terrorists Arrested

*BK2512023795 Quezon City GMA-7 Radio-Television
Arts Network in Tagalog 2230 GMT 24 Dec 95*

[FBIS Translated Text] Three suspected members of the Alex Boncayao Brigade (ABB) have been arrested

by the authorities. The three were arrested in Potatan, Muntinglupa City yesterday [24 December] through the combined efforts of the Armed Forces of the Philippines [AFP] and the NBI [National Bureau of Investigation]. The suspects were identified as (Leon De la Cruz), a suspected member of ABB Executive Committee, Amy Flores, live-in partner of (De la Cruz) and Edmund Landrito, identified as an ABB hitman. According to Interior Secretary Rafael Alunan, the arrest of (De la Cruz) is a great victory for the government. This will be of immense assistance to the government's campaign to suppress terrorism.

[Begin Alunan recording, in English] The entire law-enforcement network involving the AFP, PNP [Philippine National Police] and the NBI, continue to exert every effort to apprehend (other) terrorists and their support networks in order to safeguard the lives and properties of our people. We urge again our people to stay unpitied in purpose to finally defeat crime and terrorism. [end recording]

Thailand

Public Hearing Committee Meets on U.S. Charges

BK2512151095 Bangkok Radio Thailand Network in Thai 1200 GMT 25 Dec 95

[FBIS Translated Text] The Public Hearing Committee held a meeting today to follow up on the progress of the fact-finding work of the investigation subcommittee in charge of fact-finding in the cases of Watthana Atsawahem, deputy leader of the Chart Thai Party, and Narong Wongwan, adviser to the Chart Thai Party, who have been accused by the United States of involvement in narcotic trafficking. The meeting was chaired by Colonel Thanat Khoman for the last time.

Prasit Khovilaikun, spokesman of the Public Hearing Committee, disclosed after the meeting that the meeting heard a report on the results of the investigation by the subcommittee. The subcommittee reported that it does not yet have sufficient information to reach a conclusion. The meeting therefore assigned the secretary general of the Office of Narcotics Control Board to write a letter to Foreign Minister Kasemsamson Kasemsi to request the documents that the minister obtained from the United States and then report the developments to the secretary general of the cabinet.

The Public Hearing Committee also decided to ask the Foreign Ministry to make contacts with U.S. officials to facilitate a trip by Thai officials to the United States to investigate the facts and interview informed sources on the issue. The committee also decided to ask the Thai Government to seek cooperation from the United States in sending documents or information on events related

to the issue to the Thai Government. This practice is in accordance with the 1992 bilateral cooperation agreement on criminal matters.

Charan Phakdithanakun, secretary general of the Judicial Promotion Office and a member of the Public Hearing Committee, said the subcommittee has not been able to reach a conclusion because it lacks official documents to use as references in its report. The subcommittee will also ask for more information from two or three government agencies whose names can not be disclosed for the time being for fear of leaks and a possible delay in the subcommittee's work.

Charan said Col. Thanat Khoman told today's meeting that he was chairing the meeting for the last time. His replacement depends on the decision of the prime minister. This matter was not mentioned in today's meeting.

Court Upholds Extradition of Former MP to U.S.

BK2612070695 Hong Kong AFP in English
0626 GMT 26 Dec 95

[FBIS Transcribed Text] Bangkok Dec 26 (AFP) — A former member of parliament Tuesday lost his bid to avoid extradition to the United States to face drug trafficking charges when the Thai appeals court upheld an earlier criminal court order.

A court official and the lawyer for Thanong Siripreechapong, who has denied the charges, said the appeals court rejected the ex MP's appeal against the criminal court's ruling in July.

Thanong was secretly indicted in a northern California court in 1991 on charges of smuggling almost 49 tons of marijuana into the United States between 1973 and 1987.

Thanong, who is in detention, resigned as a Chart Thai party MP when the indictment was disclosed in 1994 after leaks to the Thai press.

The United States has cited three other Thai politicians for alleged links to drug trafficking.

U.S. Embassy statements in 1994 said Chart Thai MP Vattana Asavahame and Chart Pattana MP Mongkol Chongsuttanamanee had been denied U.S. visas because of such links.

In 1992, Narong Wongwan lost his bid for the premiership when the US State Department said he had been refused a visa because of suspected drug ties.

The allegations against Vattana, Chart Thai deputy party leader and MP, and Narong, who leads an influential

Chart Thai faction, barred them from cabinet posts after their party won general elections in July.

Thanong would be the first Thai national extradited under a 1929 Thai-U.S. extradition treaty which is used primarily to transfer Americans serving drugs sentences in Thailand back to the United States.

"According to the law, the appeals court is the final court, but we are studying whether it is possible to bring the case to the third court," lawyer Prachum Thangmee told AFP.

Minister on Former MP's Extradition, Drug Panel

BK2612144595 Bangkok Radio Thailand Network in Thai 1200 GMT 26 Dec 95

[FBIS Translated Text] With reference to the ruling by the appeals court to extradite Thanong Siriprichaphong, the former provincial councillor of the Chat Thai Party who is wanted for trial by a U.S. court on narcotics trafficking charges, Foreign Minister M.R. [Mom Ratchawong — royal title] Kasemsamoson Kasemsi told reporters that the court ruling is the result of the work of the court and that the decision was made independently without political interference.

Asked about the Public Hearing Committee's request to the secretary general to the prime minister for information about the reported narcotics trafficking, the foreign minister said it is impossible to reveal the contents of the report. He said the Foreign Ministry could contact the United States for more information for the committee, but it is entirely up to the United States whether to supply the committee with more information.

Thaksin: Nation 'Plagued With Corruption'

BK2512063195 Bangkok BANGKOK POST in English 25 Dec 95 p 1

[Report by Yindi Thanyasiri and Sonchai Misen]

[FBIS Transcribed Text] Thailand has been plagued with corruption in politics and the bureaucratic system, Deputy Prime Minister Thaksin Chinnawat said in an exclusive interview with the BANGKOK POST.

He said most politicians do not want to be corrupt but some feel they are forced to be because otherwise they would not have any money for vote-buying which has become essential in elections at all levels, especially outside Bangkok.

Mr. Thaksin said corruption in government offices is also of grave concern and the practice has become part of the bureaucratic system.

"I think it's time to correct something in society to make corruption purely an affair of corrupt people, but not part of any systems."

The PTP [Phalang Tham Party] leader conceded it is difficult for his party to grow because it has clear commitments on a great many issues, some of which are very difficult to achieve.

This is especially true on the PTP's promise not to buy votes because it has been unpopular in the provinces.

He said this explains why the PTP has gained most of its support from people in Bangkok where vote-buying is least effective.

And the PTP has faced difficulties in the capital too. As the population is generally better-educated and the economic conditions more prosperous, people there have expected much from the PTP.

"Bangkok people, who enjoy a similar lifestyle to that in the West, want to see politics which is of the same standard as that of the West. But in reality Thai politics is far behind that stage.

"So the PTP, which represents them, has to push for what they want — unlike other parties whose support base is in the provinces."

He added: "PTP MPs have been close to the people and know what they want, so what we speak reflects what they need."

Mr. Thaksin, who has been voted the most popular politician in Bangkok in a number of opinion polls, said:

"This explains why the PTP emerges more popular in Bangkok than other parties in every poll.

"This might have caused some people to see me as trying to become more famous than others. I am not happy about this. I only want to push politics to go the way the people want it to."

Mr. Thaksin conceded that it is difficult for the PTP, with only 23 MPs, to achieve what it wants.

Because Bangkok is the capital and its people serve as the base of the country's economy, the Government should listen more to criticism from its residents in order to be more stable, he said.

Asked how long he would be in politics, the businessman-turned-politician said it would not be long but while in politics he would do his best.

He said before he quits he would have to look for a talented replacement.

He wants younger people to take central roles in the party.

Asked what the image of the Government as a whole would be in the New Year, the PTP leader said he believed Prime Minister Banhan Sinlapa-acha was taking steps for improvements.

He added: "More importantly, the Government must make its achievements seen by the public.

"Today, we have to listen to the people of all sides, be they businessmen, academics or labourers."

Mr. Thaksin said Mr. Banhan currently has no problem being accepted by the public as Premier.

"The Prime Minister knows what he should do to meet the people's demands but I don't know to what extent because there are still political limitations," he said.

Mr. Thaksin believed Mr. Banhan would reshuffle the Cabinet soon, but whether it would be a minor or major one would depend on factors surrounding the Prime Minister.

Report Views Problems With Bordering Nations

BK2612104595 Bangkok BANGKOK POST (INSIDE INDOCHINA Supplement) in English 26 Dec 95 p 1

[Report by Phanrawi Tansuphaphon]

[FBIS Transcribed Text] Thailand will have to make greater efforts to solve border problems with its neighbours, particularly Burma, next year.

Apart from Rangoon's closure of three border crossings, the situation was peaceful on Thailand's frontiers during 1995, with political mechanisms in place to find solutions.

Thailand's border with Burma is 2,401 kilometres long, that with Laos runs for 1,730 km and the frontier with Cambodia for 724 km.

With Laos, a solution to the Ban Rom Klao dispute — the only remaining discord between the two countries — appears within reach as Vientiane has made clear its intention to prevent this sore spot from harming prospering relations.

In the case of Vietnam, which has no land border with Thailand, the only problem of overlapping claims in the Gulf of Thailand is moving closer to an agreement.

Thailand's ties with Burma are of most concern. Clashes broke out early this year when Rangoon began armed offensives against drug warlord Khun Sa and accused Thailand of supporting his forces.

As a result, Burma shut down three border checkpoints — Mae Sot-Myawaddy in early March; Mae Sai-Tachilek in late March and Ranong-Victoria Point in August.

The closure of the second checkpoint followed Rangoon's drive against Karen insurgents, and the third checkpoint was sealed following the killing of at least two Burmese fishermen on Thai fishing vessels.

In another development, Burma halted construction of the Thai-Burmese Friendship Bridge last June, accusing Thailand of altering the natural borderline. Rangoon wanted Thailand to remove a man-made causeway erected in the Moei River by Thai businessmen who wanted to foster business in the area. Work on the bridge remains suspended.

"A solution rests at central government level in both countries. The Foreign Ministry needs to play a more prominent role in negotiating a settlement with the Burmese government," said a military source in the area.

However, when senior officials of both sides met they said there was no problem at government level and the conflict had to be resolved at local level where it occurred.

The issue of Thai encroachment on the Moei River is likely to persist, as a fact-finding mission appointed by the Thais concluded that Thailand built the causeway on its territory, not the border. The Thais accuse Burma of putting in place stakes that altered the current.

After several rounds of talks, the atmosphere along the border appeared to improve briefly, even though the checkpoints remain closed. However, these contacts have not produced a solution, according to one analyst.

"Burmese officials boycotted meetings organised by the Thais and they even refused to dine with Thai delegates, saying they were not authorised to make any decision," the analyst said.

Laos has shown enthusiasm to settle its dispute over an area which Thailand calls Ban Rom Klao in Chat Trakan district Phitsanulok. Laos knows the area as Bo Taen, Sayaboury.

In 1987 they fought a brief war over the territory.

Since then, Thailand and Laos have conducted five joint surveys of the area and this year signed a memorandum documenting the outcome.

To speed up a solution, Laos proposed to upgrade the status of the Thai-Laos Joint Border Committee during the fifth meeting of Thai-Laotian Joint Commission in Vientiane last November. The committee is now chaired by deputy foreign ministers of both countries. The Thais have agreed to appoint Foreign Minister Kasemsamson Kasemsit as one of the chairmen.

Laotian President Nouthak Phoumsavan had earlier appointed Foreign Minister Somsavat Lengsavat to head

his country's members before he has visited to Bangkok in last February.

"Anything that stands in the way of ties between the two countries should be settled as soon as possible, especially disputes," Mr Somsavat said during the meeting in Vientiane in November adding that Laos had resolved border problems with all its other neighbours — China, Vietnam and Burma — while making progress with Cambodia.

M.R. [Mom Ratchawong — royal title] Kasem said the Thai government would like to resolve the dispute over Ban Rom Klao urgently.

Krit Kanchanakunchon, the director-general of the Foreign Ministry's Legal and Treaty Affairs Department, said a ministerial meeting between the two countries on the Ban Rom Klao issue was planned for next month.

One question to be answered is the authority of the Laotian members of the committee, who are restricted to work on the Ban Rom Klao dispute only. Thailand wants the committee to tackle a general demarcation of the border, too.

Cambodia is the only country with which Thailand has to resolve both land and sea border problems.

The situation along the 724-kilometre land border has improved since 1994.

Armed clashes and allegations of Thai support for the Khmer Rouge have subsided, with negotiations taking place at various levels.

The Thai and Cambodian governments have set up border cooperation mechanisms.

At local level, they agreed in principle that the Thai Army Regions 1 and 2 and the Suranari and Burapha Task Forces would work with Cambodia's Army Regions 3, 4 and 5 and provincial interior and customs officials.

At regional level, the supreme commands of both countries will cooperate while the defence ministries will handle issues at national level.

Defence Minister Gen Chawalit Yongchaiyut and Cambodian co-Defence Ministers Gen Tie Banh and Gen Tea Chamrat held their first meeting late last month in Bangkok. Gen Tie Banh expressed confidence the new mechanism would work.

The two countries also agreed to open two permanent checkpoints, one at Khlong Luk-Peipet, linking Sa Kaeo with Banteay Meanchey in Cambodia; and the other at Ban Hat Lek-Ban Pak Khlong, linking Trat with Koh Kong.

Second Army Region commander Lt-Gen Surayut Chulanon said the Suranari Task Force was ready to handle emergencies arising from possible dry season offensives by the Khmer Rouge and Phnom Penh forces.

Thailand and Cambodia are yet to hold in-depth talks on overlapping claims in the Gulf of Thailand which span 10,000 square nautical miles.

The two countries have different views on how to approach the issue, as evident in the first round of talks on maritime boundaries in July. Phnom Penh wants a joint development area similar to Thailand's arrangement with Malaysia, while Thailand wants to settle the boundaries first.

Thailand's dispute with Vietnam over 6,500 square kilometres in the gulf is likely to be settled soon following six rounds of talks, the latest in Hanoi last week.

Bangkok and Hanoi have agreed to use Tho-Chu, a small island off the coast of Vietnam, as the basis for settling the border in line with international law.

Chinese Community Hosts Banquet for Li Ruihuan

*BK2512095095 Bangkok ZHONG HUA RIBAO
in Chinese 23 Dec 95 p 8*

[FBIS Translated Text] Li Ruihuan, chairman of the National Committee of the Chinese People's Political Consultative Conference, and his delegation attended a public banquet held by various Thai-Chinese associations and organizations at the Shangri-La Hotel in Bangkok at 1900 on 22 December.

Zheng Mingru [Bunsong Sifuangfung], chairman of the Public Banquet Organizing Committee; Vice Chairman Zhou Jianmei; Zheng Wulou and Xie Huiru, honorary chairmen of the Thai-Chinese Chamber of Commerce and the Chao Zhou Association of Thailand; and leaders of various Thai-Chinese organizations welcomed Chairman Li Ruihuan and his delegation upon their arrival. Li Ruihuan, who has a democratic bearing and a bold and uninhibited disposition, shook hands with the leaders of the Thai-Chinese organizations. When he entered the banquet hall, all the participants — including Chen Shixian, chairman of the Foundation for Chinese Journalists; representatives from clan associations, associations of fellow townsmen, charity foundations, and cultural organizations; and the president, manager, and editor in chief of ZHONG HUA RIBAO — clapped their hands to welcome Chairman Li Ruihuan. The scene was very warm and moving.

Zheng Mingru, chairman of the Public Banquet Organizing Committee, gave a welcoming speech. In his speech,

Zheng Mingru hoped that the traditional relations between the Thai and Chinese peoples will be passed on from generation to generation and will last forever. He said this year marks the 20th anniversary of the establishment of Sino-Thai diplomatic relations. The visit to Thailand by Chairman Li Ruihuan and his delegation will further strengthen the development of the friendly relations between China and Thailand.

Later, Chairman Li Ruihuan delivered a speech. The major points of his speech are as follows:

1. Extending his heartfelt thanks for the grand banquet held by various Thai-Chinese associations and organizations.
2. He is on a visit to Thailand at the invitation of Senate Speaker Michai Ruchuphan. During the visit, he had an audience with his majesty the king on 21 December and separate meetings with Prime Minister Banhan Sinlapachacha, Parliament President Bun-ua Prasetsuwan, and Senate Speaker Michai Ruchuphan.
3. Although his visit to Thailand is short, he has experienced the Thai people's profound friendship toward the Chinese people. He also praised the flourishing development and prosperity of Thailand.
4. Stressing that in the 20 years since the establishment of diplomatic relations between the two countries, the tree of Sino-Thai friendship has grown deep roots and luxuriant leaves through close political and economic contacts.
5. Praising the Thai-Chinese associations and organizations for contributing their intelligence and physical strength to the economic development of Thailand and serving as a bridge for the development of friendly relations between China and Thailand.
6. Overseas Chinese are interested in the development and progress of China. They want China to be prosperous and support China's reform and opening. The Chinese Government also cares very much about the survival and progress of the Overseas Chinese.
7. Heartfelt wish that the Overseas Chinese residing in Thailand and Thai nationals and friends of Chinese origin will make greater contributions to the prosperity of Thailand and Sino-Thai friendship.
8. The Fifth Plenary Session of the 14th CPC Central Committee has announced the Ninth Five-Year Economic and Social Development Plan and Long-Term Goal for 2010 — a magnificent blueprint for China to follow into the next century.
9. Finally, he invited all participants to propose a toast to the prosperity of Thailand; the happiness of the Thai people; the continuous development of friendly

Sino-Thai relations and cooperation; and the health, happiness, and progress of all the guests and friends.

The public banquet was held amid a cordial atmosphere and lasted until 2200.

SLORC Will 'Cheat' To Hang On to Power

BK2412135995 Bangkok THE SUNDAY POST in English 24 Dec 95 p 24

[Commentary by Myint Thein: "A New Year's Message To The Slorc"]

[FBIS Transcribed Text] The SLORC [State Law and Order Restoration Council] will do just about anything to hang on to power. They will cheat, they will lie and they will engage in cosmetic THANAKHA (face powder paste) reforms with a combination of threats and vague promises.

The SLORC generals spend billions of dollars on war weapons to "protect" the country. At the same time they surrendered Burmese sovereignty to the Thahtay Kyun Islands in the Andaman Sea to a Thai company to operate a gambling casino that is illegal under both Burmese and Thai law.

This Andaman Club Myanmar [Burma] will have duty-free shopping which means they are exempt from Burmese immigration and customs laws. China lost Hong Kong to the British due to the Opium War. Burma lost sovereignty of its territory to a Thai company to line the pockets of the SLORC.

The SLORC was one of the eight rogue states pointedly excluded from a reception hosted by President Clinton on October 19, 1995, to celebrate the 50th Anniversary of the United Nations. Burma joined Iraq, Iran, Libya, North Korea, Cuba, Somalia and Sudan on the list of countries viewed as hostile regimes.

You need classification and certification as a hostile regime by the U.S. President to get the "green light" for covert operations. It is generally assumed that covert operations played a role in toppling dictators in the Philippines and Pakistan.

We must fight for basic freedoms in Burma. Only fools and liars think that the SLORC will voluntarily transfer power to the elected civilian government. If the SLORC refuses to negotiate, the only remaining option is to get rid of it. It's as simple as that. But it should be very clear that it was a choice made by the SLORC.

Burma in 1948, 1958 and 1962 had a higher standard of living for the average Burmese than the SLORC's Myanmar of 1995. The talk that the SLORC is saving Burma is rubbish.

The theory that Burma needs economic development to develop a middle class which will demand political reforms is also rubbish. Burma had a middle class in 1948, 1958 and 1962. The fact that we presently don't have a middle class is because of the Burma Army's meddling in politics.

Burma's middle class was forced to leave Burma because of 30 years of military rule that destroyed Burma. Approximately one million Burmese reside outside Burma. Burmese did not immigrate during the years after Independence when Burma was governed by an elected government. The Burmese were forced to immigrate when the Burma Army tried to "save" Burma.

There is indeed a Burmese middle class. They are now successful and well-connected in many countries. They will help fight for basic freedoms in Burma since their countrymen are held at gun-point by the Burma Army.

Burma in 1948, 1958 and 1962 had an excellent educational system. Burma also had excellent hospitals with medicine and foreign-trained doctors. We also did not have Burmese prostitutes in Thailand. The SLORC's Myanmar has devastated the Burmese educational system. SLORC's Myanmar has hospitals without medicine or foreign trained doctors. The SLORC's Myanmar also has 50,000 Burmese women working as prostitutes in Thailand.

Burma in 1948, 1958 and 1962 was free and independent. The SLORC's Myanmar is an economic colony of foreign investors. No Burmese can afford to stay in these hotels that charge US\$140 per day. We have become a nation of bellboys, clerks and prostitutes working for hotels owned by foreigners which cater exclusively to foreigners. Mandela's South Africa dismantled apartheid. The SLORC's Myanmar is building apartheid.

Total solar eclipses occur very rarely and are generally associated with changes in government and the deaths of very influential people. In 1976, the solar eclipse in China was precipitated by the death of Chairman Mao and Premier Zhou En Lai.

Among Southeast Asian countries, Burma was most exposed to the solar eclipse on October 24, 1995, the date the National Convention was originally scheduled to convene. Therefore it is very likely that major changes in government and the death of General Ne Win are most likely to occur this year in Burma.

Anyone watching SLORC TV [Television programs] will notice the frequent visits by SLORC generals to revered Buddhist monks. These generals know where they are going, and they don't want to go where they know they are going. They wouldn't be praying this hard if they knew they were going to heaven. My advice to

these generals is that you can't bribe the Buddha. If you want to gain merit and not go to hell, do the right thing and give the people of Burma the basic freedoms they deserve.

During the past year I have been privileged to notice the next generation of Burmese leaders. One of them represented the Burmese Resistance at the Beijing Conference on Women. She has a PhD [Doctor of Philosophy] from MIT [Massachusetts Institute of Technology].

I was also impressed with a young Burmese in Wisconsin who recently earned his PhD degree. He organized the very successful "Free Burma" rally at 70 college campuses around the world.

Five years ago I received a phone call from a young Burmese woman. She had applied for a research assistantship at several universities so that she could earn her PhD degree. The chairman of a major university called her. He was my graduate school classmate. He asked her what I was doing; he had assumed that any Burmese would know me. To make the long story short, this young lady received her PhD degree earlier this year.

None of these outstanding young Burmese are returning to Burma. This is the tragedy of Burma.

This has been a bad year for the SLORC and its collaborators. They were forced to release Aung San Suu Kyi. Chinese military sales were terminated to improve Sino-American relations. Their negotiations with Rosvooruzheniye, the Russian State Arms Export Agency, have been complicated due to U.S. Government enquiries. The Burma Army is now divided into three factions, and the National Convention is illegitimate without the participation of Aung San Suu Kyi's NLD [National League for Democracy].

Constructive engagement has failed in Burma. ASEAN and Thailand had egg on their face when the chairman of the SLORC's National Convention threatened to annihilate anyone calling for peaceful dialogue to negotiate a political settlement in Burma.

The SLORC's NEW LIGHT OF MYANMAR, the military newspaper, called Aung San Suu Kyi a traitor and threatened to annihilate her. These are desperate acts of desperate men. They know they are on the verge of losing.

There are many good officers in the Burma Army. In 1988 the commander of one Light Infantry Division refused orders to shoot unarmed civilians and marched his troops out of Rangoon. In 1996 we will cut a deal with one faction in the Burma Army. We will act swiftly, decisively and with extreme prejudice when

an opportunity is presented to restore freedom and democracy in Burma.

The flag of freedom will fly again in Burma.

BoI Official Sums Up Investment Situation

*BK2312142095 Bangkok BANGKOK POST
in English 23 Dec 95 p 15*

[Unattributed report]

[FBIS Transcribed Text] Investment in Thailand will increase only slightly next year while the economy will grow by just 8%, the Board of Investment [BoI] forecast yesterday.

The level of foreign investment is expected to be about the same as this year because many very large projects were approved this year, said BoI secretary-general Sathaphon Kawitanon.

However, the BoI expects Japanese investors to continue to relocate production to Thailand, which the Export Import Bank of Japan ranks second behind China as the most favourable Japanese investment destination, he said.

The BoI also forecast more interest from European investors, with the first Europe-Asia summit in Bangkok in March expected to stimulate interest in Thailand.

Mr Sathaphon said investment projects set in motion by several major automobile manufacturers this year would help expand auto-parts manufacturing in 1996. Both Japanese and European automobile manufacturers are interested in further expansion in Thailand and the region.

Manufacturing of electronic and computer parts and components is also expected to expand next year. Some companies planning capacity increases have already applied for BoI promotional privileges.

One of the largest projects next year will be a 30-billion-baht joint venture between Thailand's Alphatech Co and U.S.-based Texas Instruments Co to produce electronic parts. The venture is expected to seek BoI privileges next year, Mr Sathaphon said.

Investment in industrial estates, particularly in Zone 3, power plants and communications is also expected to increase steadily.

This year, Mr Sathaphon said, investment expanded by about 16% which was consistent with the country's 8.5% economic growth.

The number of projects obtaining BoI promotional privileges in the first 10 months of the year totalled 980, with total investment capital of 450 billion baht.

The number of projects is the same as in 1994, but the value is almost double.

The amount of capital being committed to the country reflects continuing investor confidence in Thailand despite a mid-year government change and fluctuations in international money markets, said Mr Sathaphon.

The approvals of several major projects in the steel, automobile, petrochemical and electronic sectors also boosted investor confidence, he said.

The number of projects by foreign investors rose by 24% to 505, while the total capital involved rose by 60.7% to 315 billion baht in the first 10 months of this year, compared with the same period last year.

Japanese topped the list of foreign investors, with 45% of total capital. They were followed by Americans at 18%, Europeans at 17% and Taiwanese at 10%.

The foreign investment projects are mainly in metal products and machinery, electrical appliances and electronics, chemicals, plastic and paper.

About 60% of the approved projects — 620 ventures worth 330 billion baht — chose to locate their factories in Zone 3. Rayong was the most popular investment destination with 152 projects, followed by Nakhon Ratchasima with 74.

Major projects approved in 1995 included:

— **Steel:** Two hot-rolled and cold-rolled steel projects with a combined investment capital of 40 billion baht. They will increase annual production capacity by four million tons of hot-rolled steel sheets and 2.6 million tons of cold-rolled sheets. The BoI also approved six basic steel manufacturing projects with a combined investment capital of 56 billion baht.

— **Petrochemicals:** The BoI approved 35 petrochemical projects with a combined investment capital of 150 billion baht. The most important upstream projects, to produce polyethylene propylene, belonged to Thai Petrochemical Industry Co and National Petrochemical Corp and were worth a combined 60 billion baht. Another 30 billion baht has been committed to plants producing intermediate products such as styrene monomer acrylic acid and acrylic esters, and 60 billion baht to downstream projects.

— **Automobiles:** The BoI approved three major parts manufacturing projects with a combined investment capital of 34 billion baht.

— **Electronics:** A total of 120 projects with a combined investment of 34 billion baht were approved. The most important belonged to the Seagate Group, to produce

hard disk drives, and a wafer manufacturing project by Thai IC Manufacturing Co.

Insurance Package Subject to Review

*BK2312124895 Bangkok THE NATION in English
23 Dec 95 pp B1, B2*

[Report by Aphisak Phanasethakon, Atchara Phongwutthitham, and Suwatchai King-ngoen]

[FBIS Transcribed Text] The partial liberalization package for the insurance industry, in which a large number of applications were scrutinized for the allocation of new licences, will be reviewed shortly by a Commerce Ministry committee, Karun Kittisathaphon, the new director-general of the Insurance Department, said yesterday.

Karun, who succeeded Pracha Charutakunchai as department head about two weeks ago, said he had not seen the proposal prepared by his predecessor.

A source close to the Chat Thai party said Commerce Minister Chuchip Hansawat, a party member, is expected to seek Cabinet approval Tuesday for the proposal. The source added that a total of 25 licences — 12 for life insurance and 13 for general insurance firms — will be granted to majority Thai-owned companies under this package. The policy was initiated by the previous government.

In the first phase, only 12 licences will be granted, half for life insurance and the other half for general insurance firms, said the source.

A total of 87 companies, 44 life and 43 non-life companies submitted applications to the ministry seeking new licences in this fast-growing industry, which has seen its revenue expand at an annual rate of 20-30 per cent over the past five years.

However, Karun told *The NATION* yesterday that he did not expect the Cabinet to consider the proposal on the licence winners next week since the new ministerial committee, comprising seven director-generals and permanent secretaries and four C-10 officials, has yet to review the proposal.

"Although the names have already been sent to the ministry, there were major changes of the committee members (because of the recent reshuffle of top ranking officials). So we'll have to examine the proposal again," said Karun, a former deputy permanent secretary.

Somphon Kiatphatbun, permanent secretary, said he will call a meeting on Monday to review the list of licence winners. He also said it is unlikely that the package will be ready for the Cabinet.

Another source said a total of 38 applications were chosen for licences, but not all will be granted them.

The list of licence winners prepared by Pracha, Karun's predecessor at the Insurance Department, reached the permanent secretary before the reshuffle.

According to an industry analyst from a Thai brokerage house, he said the impact on the existing life and non-life insurance firms will be obvious. He gave an example of one non-life insurance firm; namely Bangkok Insurance Plc, that the firm will inevitably lose its long-time clients including Sahawiriya OA Plc, Charoen Phokkhaphan Group, and Alphatec Electronics Plc.

These three companies are among the potential winners of licences. Names of the new potential firms include Alpha Life Assurance, Alpha Insurance, Charoen Phokkhaphan Life Assurance, Charoen Phokkhaphan Insurance, Advance Life Assurance, Advance Insurance, Thai Yasuda Insurance, Sahawiriya Life Assurance, and Sahawiriya Insurance.

Another official source said the three major business groups — the computer chip assembler Alphatec, the diversified agro-industrialist Charoen Phokkhaphan, and the agro-industrialist Advance (Sun Hua Seng) groups — are likely to be granted both life and general insurance licences.

However, the prospects of steel giant Sahawiriya winning both types of licence are not so good.

At present, eight per cent of the Thai population, or six million people, have life insurance.

There are 12 life-insurance companies against 67 non-life currently.

AIA has the largest market share with about 50.4 per cent of the total of [Thai baht] Bt49 billion of premiums paid in 1994.

He noted that small insurance firms' market shares and profits will shrink, with the possibility of them being driven out of business by large insurance firms.

To protect clients, he said: "This is why the Department of Insurance has issued new regulations for life insurance companies to increase their cash reserves from Bt30 million to Bt100 million in the next five years."

Voicing his concern about the insurance industry, Sukhathep Chantichawala, chairman of the Life Insurance Association, proposed to PM (Prime Minister) Banhan Sinalpa-acha to limit to five the number of new life insurance licences, and to three for non-life licences over the next three years.

He added that shortages of staff will be apparent, especially in those areas where special skills and knowledge are hard to find from other areas including the Compensation and Actuary departments.

Especially in the Actuary department, he said: "These staff know how to figure out interest rates like people working in financial institutions, but they also work with death and accident rate statistics."

Assumption Business Administration College, the only institution that offers a major in insurance, has about 300 students every year graduate in this course while the total number of staff employed in the insurance industry is around 30,000.

Vietnam

Paper Warns of Threat From U.S. 'Rightwingers'

BK2512085395 Hong Kong AFP in English
0832 GMT 25 Dec 95

[FBIS Transcribed Text] Hanoi, Dec 25 (AFP) — The army daily Quan Doi Nhan Dan struck a stern tone on Monday, warning that US rightwingers were still hoping to overthrow the Communist government by subverting the Vietnamese economy.

"Some people persist in viewing the world through the eyes of the Cold War," it said in a commentary that singled out former US secretary of state Henry Kissinger.

"For some American experts, the defeat of the United States (in the Vietnam War) was just the first round, and that the United States will win out in peace time... mainly through the process of moving to a market economy," it said.

"These experts hold that the fact that Vietnam is building a market economy is the springboard enabling them to resolve the Vietnamese 'problem,'" it said.

The United States "is attacking us on several fronts — economic, diplomatic, ideological and cultural — using gentle and sophisticated but sometime very clumsy tools," it said.

The article stressed however that Vietnam would not deviate from its integration into the world community, and said normalization with Washington was a "turning point" in US-Vietnamese ties.

The commentary was published at a time of growing debate within the Communist Party between supporters and opponents of reform.

Commentary Reviews Relations With U.S.

BK2212130895 Hanoi Voice of Vietnam in English
1000 GMT 22 Dec 95

[Station commentary]

[FBIS Transcribed Text] Today, I'm declaring to normalize relations with Vietnam. This is the declaration of President Bill Clinton at the ceremony on 11 July 1995 local time or 12 July 1995 Hanoi time.

The U.S. President stressed: We should look to the future as much left to be done. This moment is an opportunity to heal our wounds as we normalize trade relations with Vietnam, an economy newly emerged to the one in Asia Pacific.

The same day on 12 July, Prime Minister Vo Van Kiet also issued a statement in response to the U.S. President's statement. The statement to the U.S. President normalizing diplomatic relations with Vietnam is an important decision responding to the aspiration of American people from all walks of life. The decision also is [word indistinct] for the coming time for development, contributing to peace, stability, and development in Southeast Asia and the rest of the world.

The statements of the two leaders of the United States and Vietnam have won appraisal of peoples in the United States, Vietnam, and the world at large as an outstanding event in the political and diplomatic life in Vietnam and the world in 1995. The recognition of Vietnam by the United States and the normalization of U.S.-Vietnamese relations serve the U.S. interests in Asia and the Pacific region, where Vietnam is considered a major factor in Southeast Asia and Asia as a whole with potentials as natural resources, abundant labor force, and with favorable political system promising a new dynamism in the region.

As the U.S. President Bill Clinton said: The normalization of the U.S.-Vietnamese relations helps the United States to heal its decade-long wound from the Vietnam War.

As for Vietnam, the event created an opportunity for Vietnam to consolidate and strengthen its relations with countries and organizations worldwide. The event also created favorable international environment for Vietnam to carry on renovation cause.

On 6 August 1995, U.S. State Secretary Warren Christopher paid an official visit to Vietnam and signed and exchanged views with his Vietnamese counterparts documents officializing the investment regulations between the two countries. The U.S. secretary of state also attended the ceremony to inaugurate the U.S. Embassy in

Hanoi. On this occasion, Vietnam also opened its embassy in Washington.

In the past four years, Vietnam and the United States have exchanged many senior and business delegations. Former U.S. President George Bush, Former U.S. Defense Secretary McNamara have paid official visits to Vietnam and Vietnamese President Le Duc Anh also visited the United States to attend the 50th founding anniversary of the United Nations. On this occasion, Vietnamese Foreign Minister Nguyen Manh Cam also attended the conference normalization of economic relations the follow-up step for normalization of U.S.-Vietnamese relations. This is an opportunity for leaders to exchange views in preparation for the coming talks for the signing of a trade agreement between Vietnam and the United States.

In fact, the economic and trade relation between the United States and Vietnam has been expanded and strengthened, especially since the normalization of bilateral relations. Though an official trade agreement has not yet been signed, two-way trade turnover in the first nine months reached \$200 million, equal to that of the whole 1994. The United States now ranks sixth among foreign investors in Vietnam with 50 projects valued at \$1.2 billion dollars.

However, for mutual interests and for the development of both countries, the two sides should cooperate in principle of equality and mutual respect for each other's independence, non-interference in each other's internal affairs, for an early signing of a trade agreement. It is expected that the bilateral economic and trade ties will be rapidly developed once the agreement is signed.

Ministers Attend ASEAN Workshop in Malaysia

*BK2312110895 Hanoi VNA in English
0623 GMT 23 Dec 95*

[FBIS Transcribed Text] Hanoi VNA Dec. 23 — An international workshop entitled 'Vietnam in ASEAN: Policy Orientations and Trade Prospects' was held in Kuala Lumpur on Dec. 19 and 20 by the University of Malaya and the Institute for Policy Research of Malaysia.

A delegation from Vietnam, consisting of Deputy Foreign Minister Le Mai, deputy head of the Government Office Doan Manh Chao, Deputy Minister of Planning and Investment Do Ngoc Trinh, and other delegates

from Hanoi and Quang Nam-da Nang Province, were among 50 Malaysian and foreign participants at the workshop.

Addressing the opening ceremony, Malaysian Foreign Minister A.A. Badawi clearly pointed out that Vietnam's joining of ASEAN marked a new and fine development step of ASEAN and at the same time ushered in a new era of regional cooperation. Vietnam will not only fulfill the obligations of a member country of ASEAN but also make a worthy contribution to the association, he said.

In a letter sent to the workshop, Malaysian Deputy Prime Minister Anwar Ibrahim brought out Malaysia's special attention at Vietnam's accession to ASEAN, stressing: 'With plenty of manpower and abundant natural resources, Vietnam's joining of ASEAN not only enhances the association's strength but also contributes to the political stability, economic prosperity, and cultural and peaceful restoration in Southeast Asia as well as the world at large.'

The Malaysian deputy prime minister welcomed cooperation programmes between the University of Malaya and Vietnam's universities.

Vietnamese participants to the workshop expressed Vietnam's determination to boost its multi-faceted cooperation with Malaysia and ASEAN-member countries with a view to building Southeast Asia into a peaceful, stable and development region.

The workshop took place at an atmosphere of sincerity and frankness.

Hai Hung Province Admits 3,099 New Party Members

*BK2612144795 Hanoi Voice of Vietnam Network
in Vietnamese 1100 GMT 25 Dec 95*

[FBIS Translated Text] Hai Hung Province has admitted 3,099 new party members this year, an increase of 55 percent over 1994. This year, Hai Hung has admitted its highest number of party members in the last 15 years. Among the new party members, 45 percent are female and 84 percent have an education level of high school or above. Chau Giang, Nam Thanh, Ninh Thanh, and Tu Loc Districts are localities with good party development work.

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